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1 {York Stenographic Services, Inc.}

2 HIF118.170

3 HEARING ON THE PUBLIC SALE OF HURRICANE KATRINA/RITA FEMA

4 TRAILERS: ARE THEY SAFE OR ENVIRONMENTAL TIME BOMBS?

5 WEDNESDAY, APRIL 28, 2010

6 House of Representatives,

7 Committee on Energy and Commerce

8 Subcommittee on Commerce, Trade, and Consumer Protection

9 Washington, D.C.

10 The Subcommittee met, pursuant to call, at 10:07 a.m.,
11 in Room 2322 of the Rayburn House Office Building, Hon. Bobby
12 Rush [Chairman of the Subcommittee] presiding.

13 Members present: Representatives Rush, Sarbanes, Sutton,
14 Stupak, Green, Barrow, Braley, Waxman (ex officio),
15 Whitfield, Stearns, Gingrey, Scalise, Latta, and Barton (ex
16 officio).

17 Staff present: Michelle Ash, Chief Counsel; Robin
18 Appleberry, Counsel; Timothy Robinson, Counsel; Felipe

19 Mendoza, Counsel; Will Cusey, Special Assistant; Daniel
20 Hekier, Intern; Elizabeth Letter, Special Assistant; Jerry
21 Couri, Minority Counsel; Sam Costello, Minority Legislative
22 Analyst; Shannon Weinberg, Minority Counsel.

|

23 Mr. {Rush.} The subcommittee will now come to order.
24 Today's subcommittee hearing is on the subject of the public
25 sales of Hurricane Katrina/Rita FEMA trailers: are they safe
26 or environmental time bombs? And the chairman wants to
27 welcome all those who are participants in the hearing. And
28 now the chair recognizes himself for 5 minutes for the
29 purposes of an opening statement. Again, I want to welcome
30 each one of the witnesses, and I want to thank you for
31 appearing before the subcommittee today. At this hearing we
32 will discuss the public sale of more than 100,000 travel
33 trailers and homes by the General Services Administration.
34 For these transactions, the GSA served as the sales agent of
35 FEMA.

36 And, ladies and gentlemen, if you don't know more than
37 what I just said, most of you would probably say, well, that
38 sounds good. That is an awfully lot of trailers, and the
39 government is selling off a lot of property. Maybe I should
40 run down to the courthouse or hop online to take advantage of
41 a deal like that. But these are not just any ordinary
42 trailers. They are the very same trailers that FEMA
43 purchased and provisioned as emergency housing for hundreds
44 of thousands of displaced Gulf Coast residents.

45 Unbelievably, these are the same trailers that made

46 thousands of people ill, some very severely, from exposure to
47 formaldehyde gases and vapors. Young children, elderly
48 people and those with serious respiratory conditions, ranging
49 from asthma to bronchitis, inhaled these vapors over a
50 continuous period of time. I don't think I am the only one
51 that is left scratching his head at this outcome. My first
52 reaction was to fire off a letter to FEMA and GSA asking them
53 a range of questions from what steps they had to take before
54 deciding to sell the trailers, how did they notify buyers
55 that these trailers could be contaminated by excessive
56 formaldehyde and whether some newly proposed standards may
57 have resulted in lowering formaldehyde exposure.

58 And I want to take time to thank GSA and FEMA for
59 promptly responding and explaining the courses of action they
60 took before making their decision to go forward with the sale
61 of the trailers. But let me state for the record that I
62 would have liked to have seen the government commit to more
63 testing of these trailers before bringing them to sale and to
64 come up with some better safeguards than was present on the
65 warning stickers and certification. We need to have many
66 more courses of action and more firm in our actions and
67 activities to advise the public and to protect the public. I
68 genuinely want our discussion to shed more light on some of
69 the other options for disposing of the surplus trailers that

70 actually came up for discussion and what other options that
71 would have kept down FEMA's costs and other options that may
72 have come up out of other discussions.

73 Has it been so long since Hurricanes Katrina and Rita
74 took place that we have forgotten the painful lessons that
75 these epic disasters taught our nation? It won't be until
76 this coming August that we will get to the fifth-year
77 anniversary of those tragic years. It is my sincere hope
78 that this hearing will help us to review what was learned
79 from that experience so as not to repeat some of our
80 failures. And I want to say to those valiant and gallant
81 workers, government workers, who continually put themselves
82 on the front line as it relates to our nation's disasters. I
83 want to commend each and every one of them. And I just think
84 we can do a better job and make sure we do finer work and we
85 are more diligent and more proactive and open ourselves up
86 for more discussion. With that, I yield back the balance of
87 my time, and I recognize the gentleman from Kentucky, the
88 ranking member of the subcommittee, Mr. Whitfield, for 5
89 minutes.

90 [The prepared statement of Mr. Rush follows:]

91 ***** COMMITTEE INSERT *****

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92 Mr. {Whitfield.} Mr. Chairman, thank you very much for
93 having this hearing today, and we are delighted that
94 representatives of FEMA, the GSA, and EPA are with us on this
95 first panel this morning. I read an article that the federal
96 government spent \$2.7 billion to buy these trailers and
97 mobile homes and spent an additional \$220 million to store
98 them to provide some relief for those victims of Katrina.
99 And I think this hearing can be quite helpful today because
100 there are so many questions that might be beneficial to us to
101 have answered as we experience disasters in the future. For
102 example, were there alternatives available to provide housing
103 other than buying these trailers with formaldehyde in them?

104 What options were available by the Administration in
105 trying to decide what to do with these trailers? Was it
106 required that they be so--there was a Washington Post article
107 that said they should have been destroyed, and just how
108 serious was this health issue? This committee certainly has
109 an obligation and responsibility to protect consumers, and I
110 think even more so when the federal government takes an
111 action and people who are the victims of Katrina really were
112 not out purchasing a product, they were taking what was given
113 to them because they had no other alternatives. I did also
114 read an article where CMS released a study regarding

115 children, I think 6 to 12, in Mississippi, some of who lived
116 in these trailers and some who did not, and basically the
117 conclusion was that there was not any significant difference
118 in the health of those children. So I am hoping that this
119 committee and this panel and the second panel can help us
120 address a lot of these issues and have a better understanding
121 of it, and hopefully help us to move forward in the future to
122 maybe react in a more responsible and more efficient way that
123 is better for the victims of these kinds of disasters. I
124 yield back the balance of my time.

125 [The prepared statement of Mr. Whitfield follows:]

126 ***** COMMITTEE INSERT *****

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127 Mr. {Rush.} Thank you. The chair now recognizes the
128 chairman of the full committee, Mr. Waxman, for 5 minutes.

129 The {Chairman.} Thank you very much, Mr. Chairman. I
130 appreciate you calling this hearing to examine the decision
131 to sell the American public travel trailers that could have
132 elevated levels of formaldehyde. Formaldehyde is a harmful
133 substance. It is a dangerous substance. It is a carcinogen,
134 and it can cause cancer. We should minimize the exposure by
135 people to it but we shouldn't minimize the dangers of the
136 exposure to it. Some of us are familiar with these trailers.
137 When I was chairman of the Oversight and Government Reform
138 Committee, I called a hearing that exposed that dangerous
139 level of formaldehyde in some of these trailers, and not just
140 that but the shameful failure of FEMA to protect the families
141 that were living in these trailers.

142 Our investigation revealed that after hearing reports of
143 high formaldehyde levels, FEMA field staff called Washington
144 and said you have got to test these trailers so that the
145 dangerous trailers could be identified and the families that
146 were living in them could be protected. But FEMA
147 headquarters ignored the dangers from the formaldehyde.
148 Their response was that if FEMA tested the trailers and found
149 hazards FEMA would ``own the problem.'' That is what they

150 said, own the problem, and therefore they did nothing.

151 The ultimate result was a serious health risk for
152 families displaced by Hurricane Katrina and a costly bill for
153 taxpayers. After our hearings exposed FEMA's conduct, the
154 agency was finally forced to act. FEMA paid \$2 billion for
155 trailers that have now been sold for pennies on the dollar.
156 I fully support Chairman Rush's effort to understand the
157 story behind the sale of these trailers to the public. I
158 hope today's hearing will reveal that the Obama
159 Administration has learned from the mistakes of the previous
160 Administration. If these trailers are going to be sold, it
161 is essential that there are ample safeguards to prevent any
162 risk to the people who end up buying these trailers.

163 Today's hearing will also shine a light on the long-time
164 deficiencies of the Toxic Substances Control Act. This is an
165 outdated statute that is badly in need of reform, and I know
166 this subcommittee is going to be looking at that issue later
167 this year. As we will hear today, if EPA had the clear and
168 comprehensive authority that it needs to access and restrict
169 dangerous chemicals, it could have taken action on
170 formaldehyde years ago, and if EPA had set a standard for
171 formaldehyde emissions from plywood and composite wood
172 products we might not have had the problem in the first
173 place. So EPA did not act to set a standard for

174 formaldehyde. FEMA did not act to test the trailers to see
175 if the formaldehyde levels were high enough that they were
176 causing a threat to public health.

177 The government has got to do its job, not ignore the
178 problems for fear that we will own them because our job is to
179 protect the American people. The victims of Hurricane
180 Katrina had no choice. They were given these trailers in
181 which to live. They were grateful to have a place to live
182 temporarily, but we should never have subjected them to this
183 exposure and we should never minimize the harm we subjected
184 them to. I believe that we will find that there was harm to
185 people and that is a harm that could have been averted, and
186 we want to make sure that it doesn't occur in the future.
187 Thank you, Mr. Chairman.

188 [The prepared statement of Mr. Waxman follows:]

189 ***** COMMITTEE INSERT *****

|
190 Mr. {Rush.} The chairman thanks the chairman of the
191 full committee, Mr. Waxman. The chair now recognizes for 2
192 minutes, Mr. Latta, the gentleman from Ohio.

193 Mr. {Latta.} Thank you very much, Mr. Chairman, Mr.
194 Whitfield, I appreciate this being my first day on the
195 subcommittee. I look forward to working with you all in the
196 future.

197 Mr. {Rush.} Will you yield just one second? I really
198 want to take this opportunity to welcome you to this
199 subcommittee. We are a good subcommittee. We work very well
200 together, and we look forward to working very closely with
201 you.

202 Mr. {Latta.} Thank you very much, Mr. Chairman. I
203 appreciate that. And not to reiterate everything that has
204 already been said, but I look forward to the testimony today
205 on purchase of the trailers and also the subsequent sale of
206 these trailers. And with that, Mr. Chairman, I yield back.

207 [The prepared statement of Mr. Latta follows:]

208 ***** COMMITTEE INSERT *****

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209 Mr. {Rush.} The chair thanks the gentleman. The chair
210 now recognizes Mr. Barrow for 2 minutes.

211 Mr. {Barrow.} Thank you, Mr. Chairman. In the
212 aftermath of Hurricanes Katrina and Rita, many of the victims
213 trusted the government to provide temporary housing that was
214 safe to live in. We have since found out that many of these
215 citizens were exposed to extremely high levels of
216 formaldehyde in these trailers. As a result of that
217 exposure, hundreds of individuals continue to suffer negative
218 health effects ranging from respiratory irritation to cancer.
219 I have introduced legislation in this Congress, H.R. 1661,
220 the Travel Trailer Residents Health Registry Act, that will
221 begin the process of righting this wrong.

222 My bill will establish and maintain a health registry
223 for folks who are exposed to formaldehyde in one of these
224 government-provided trailers. It will provide health
225 examinations, consultations, and mental health counseling
226 free of charge to individuals facing illness from FEMA
227 trailers and will conduct a study of the long-term health
228 effects of exposure to formaldehyde in the trailers. The
229 purpose of today's hearing is to look at the public sale of
230 Hurricane Katrina and Rita FEMA trailers.

231 Once again, the government will be providing temporary

232 housing to yet another generation of occupants. Knowing what
233 we already know about the effects have had on those who
234 already lived in them, I don't see how we can justify the
235 risk of further government-sanctioned exposure. We have not
236 yet accepted responsibility for the harm done to those who
237 have been injured by substandard temporary housing. Until we
238 do, I am afraid these sales may only add to the casualty
239 lists. Thank you, Mr. Chairman. I yield back.

240 [The prepared statement of Mr. Barrow follows:]

241 ***** COMMITTEE INSERT *****

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242 Mr. {Rush.} The chair recognizes the gentleman from
243 Georgia, Dr. Gingrey, for 2 minutes.

244 Dr. {Gingrey.} Mr. Chairman, I want to thank you for
245 calling today's hearing on the sale of the FEMA trailers used
246 in the recovery efforts of Hurricane Katrina and Rita. With
247 a number of concerns raised with formaldehyde exposure in the
248 Gulf Coast region resulting from the use of these trailers, I
249 believe it is important that this subcommittee take a closer
250 look at the issue, and of course that is what we are doing.
251 As required by law, the federal government is required to
252 sell or dispose of equipment that is no longer being used.
253 Accordingly, the GSA, General Services Administration, helped
254 facilitate the sale of over 102,000 trailers through an
255 auction that was conducted in January, this year, that
256 brought in approximately \$139 million.

257 Overall, as the chairman said just a minute ago in his
258 remarks, that is pennies on the dollar, I think a nickel on
259 the dollar of what we paid for these trailers. Although this
260 sale of government equipment follows prescribed procedures,
261 it also comes with additional concerns as expressed by my
262 friend from Georgia, Mr. Barrow. Mr. Chairman, I am pleased
263 that FEMA placed a clearly visible decal on the door or
264 window of each of these trailers that simply states not to be

265 used for a house. And, additionally, I appreciate that the
266 purchasers are required to sign a buyer's certificate
267 denoting that the trailers cannot be used for housing or
268 resold to be used as housing.

269 Although the buyers of these trailers are being required
270 to sign these certificates, there will always be, and we know
271 this, bad actors in the system that will resell these
272 trailers for housing purposes. Based on the levels of
273 formaldehyde that potentially exists in the trailers, we need
274 to do our best to prevent them from being resold for
275 permanent type housing, day in and day out kind of living.
276 Mr. Chairman, I am glad that we are holding the hearing
277 today. I wish we could also be hearing some testimony--I
278 notice that HUD is not on either panel. HUD is the only
279 federal agency that regulates the use of formaldehyde. I
280 believe the Department of Housing and Urban Development's
281 input and testimony on this matter would be beneficial to the
282 subcommittee, and as we move forward on this issue, I hope
283 that we will seek their input.

284 The existence of formaldehyde in FEMA trailers is
285 something that has already been scrutinized by a number of
286 congressional committees and now the public sale of these
287 same trailers allows us to re-examine this important issue.
288 I look forward to hearing the testimony from today's panels,

289 the first set and second, and asking some pertinent questions
290 and getting some good answers. Mr. Chairman, thank you for
291 holding the hearing, and I yield back the balance of my time.

292 [The prepared statement of Dr. Gingrey follows:]

293 ***** COMMITTEE INSERT *****

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294 Mr. {Rush.} The chair now recognizes the gentleman from
295 Iowa, Mr. Braley, for 2 minutes.

296 Mr. {Braley.} Thank you, Mr. Chairman. Chairman Waxman
297 mentioned the July 19, 2007, hearing of the Oversight and
298 Government Reform Committee, which I served on at that time,
299 and as a member of that committee, I hear testimony from
300 displaced Gulf Coast hurricane victims who testified that the
301 trailers provided by FEMA had high levels of formaldehyde,
302 which caused them to experience nosebleeds, watery eyes,
303 respiratory problems, and flu-like symptoms. They also
304 testified that their adverse health effects were common for
305 families living in FEMA-provided trailers in the Gulf Coast.
306 At the time of that hearing, I had no idea how important that
307 would be to residents of my district in the northeast part of
308 Iowa because 1 year later in the spring of 2008 my district
309 was hit by the most powerful tornado in the United States
310 followed 10 days later by the worse flooding in our state's
311 history.

312 As part of the relief effort, FEMA issued trailers to
313 Iowa flood victims. In July of 2008, and this is a
314 photograph of some of those remaining trailers, which are
315 currently stored about 10 miles from where I live in the
316 small town of Dike, Iowa. As part of that relief, it was

317 discovered in July of 2008 that more than 100 FEMA-provided
318 trailers in Iowa were infected with mold. It is very
319 disturbing that the mold in those trailers was not discovered
320 before they were delivered to disaster victims at their
321 designated locations, and it concerned the Iowans living in
322 those trailers for a period of time before the mold was even
323 discovered.

324 In October o 2008, a Cedar Rapids, Iowa television
325 station, KGAN, reported that tests of 20 trailers issued by
326 FEMA to flood victims in Iowa found they all exceeded FEMA's
327 own standards for safe levels of formaldehyde. At the time,
328 more than 60 inhabited FEMA trailers were located in my
329 district, and this was after we had held the hearing in
330 Oversight and Government Reform. With such a dismal record
331 of providing housing units with high levels of formaldehyde
332 and mold, FEMA should be going above and beyond expectations
333 to prove and ensure that these trailers are safe. It is
334 disturbing to me personally and unacceptable that temporary
335 housing provided by the agency responsible for helping people
336 in times of emergency would make them ill.

337 It is equally disturbing that formaldehyde emissions
338 from composite wood products are not currently regulated by
339 the federal government. In November of 2007, a federal court
340 order suspended all sales of FEMA trailers until January 2,

341 2010. When that court order expired, FEMA sold about 93,000
342 travel trailers and 9,300 mobile homes to both purchasers.
343 And despite the warnings that my colleague from Georgia has
344 mentioned, I remain concerned that the safety of these units
345 will not be a subject of further scrutiny, and I am not sure
346 the government should be selling trailers to the public that
347 they have determined to pose risks to human health.

348 Last month we were supposed to mark up H.R. 4805, the
349 Formaldehyde Standards and Composite Wood Products Act in
350 this subcommittee, but it was pulled from the schedule at the
351 last minute. I was disappointed because that bill would be a
352 good step in the right direction to lower the adverse effects
353 of formaldehyde on human health. As we continue to address
354 the issue of formaldehyde, we should be considering not
355 whether that legislation goes too far but rather we should
356 consider whether it goes far enough in protecting human
357 health because in a hearing last month the consensus among
358 the witnesses was that the current standard for formaldehyde
359 emissions for manufactured homes is weak and must be updated.

360 It is not only important to the impact of hurricane
361 victims in the Gulf Coast as well as the flooding victims in
362 Iowa and other parts of the Midwest. It is important for the
363 people of this country as we move forward. And so I thank
364 you again, Mr. Chairman, for holding this important hearing

365 today, and I yield back.

366 [The prepared statement of Mr. Braley follows:]

367 ***** COMMITTEE INSERT *****

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368 Mr. {Rush.} The chair recognizes the gentleman from
369 Louisiana, Mr. Scalise, for 2 minutes.

370 Mr. {Scalise.} Thank you, Chairman Rush, and Mr.
371 Whitfield for having this important hearing examining the
372 sale of FEMA trailers. I want to acknowledge some of our
373 panelists who are here today from Louisiana. First, Dr.
374 Corey Hebert, a pediatrician in New Orleans who serves as an
375 assistant professor at Tulane Medical School and is chief
376 medical officer at the Louisiana Recover School District.
377 Dr. Hebert has focused much needed attention on the effects
378 of post-traumatic stress disorder as it relates to Hurricane
379 Katrina's effects on people in our region, as well as on the
380 potential hazards of formaldehyde and FEMA-issued trailers.
381 We also have Gabe Chasnoff, the director and producer of
382 Renaissance Village. Mr. Chasnoff's documentary showed us
383 life in a FEMA trailer camp and the issues faced by those
384 displaced by Hurricane Katrina.

385 Dr. Hebert and Mr. Chasnoff, it is good to have people
386 from Louisiana here testifying before our committee, and I
387 thank you for the work you do and what you are also doing for
388 our recovery. Mr. Chairman, those of us in South Louisiana
389 are unfortunately all too familiar with FEMA trailers and the
390 problems associated with them. As a result of Hurricanes

391 Katrina and Rita our state saw hundreds of thousands of home
392 destroyed and people displaced. We also had over 200,000
393 mobile homes, travel trailers, and other temporary housing
394 units shipped to our region. While these temporary units did
395 help meet the critical needs of housing following the 2005
396 hurricanes and provided many residents with short-term
397 housing options as they recovered from the storms, only later
398 did we find out about the health issues these trailers have
399 caused.

400 FEMA originally spent approximately \$2.7 billion on
401 temporary housing units only to have some of them go unused
402 because there was a surplus or because regulations prevented
403 them from being installed in certain areas. In 2006, we
404 learned that some of these trailers contained formaldehyde
405 and had exposed people to health risks associated with this
406 chemical. These revelations only added insult to injury for
407 the hundreds of thousands of people who had survived the
408 storms. At the end o 2007, the GAO found that ineffective
409 oversight led to FEMA paying an estimated \$30 million in
410 wasteful and improper or potentially fraudulent payments for
411 maintenance on trailers, and now the storage of excess
412 trailers is costing the taxpayers hundreds of millions of
413 dollars.

414 Mr. Chairman, I understand the uniqueness of what we

415 faced after Katrina. Our nation had never faced a disaster
416 of that scope or complex. The federal government had never
417 been faced with providing housing for that many people, and
418 FEMA did take steps to address these challenges. But FEMA
419 trailers provide clear examples of the errors that were made
420 after Hurricanes Katrina and Rita and how taxpayer dollars
421 were wasted. It is for that reason that I have introduced
422 and co-sponsored legislation to improve disaster recovery and
423 promote responsible government spending for disasters.

424 Mr. Chairman, given the challenges we face, the issue of
425 FEMA trailers is one that we take very seriously in South
426 Louisiana. That is why I am pleased to see that our
427 subcommittee is focusing on these issues. Thank you, and I
428 yield back.

429 [The prepared statement of Mr. Scalise follows:]

430 ***** COMMITTEE INSERT *****

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431 Mr. {Rush.} The chair recognizes the gentleman from
432 Maryland, Mr. Sarbanes, for 2 minutes.

433 Mr. {Sarbanes.} Thank you, Mr. Chairman, for holding
434 the hearing. My understanding is that the only agency that
435 has standards with respect to formaldehyde emissions is HUD
436 but that standard is itself very weak and needs to be
437 strengthened and the overall regulation of formaldehyde has
438 to be improved, but then even within that weak standard that
439 HUD sets there is a giant loophole with respect to the travel
440 trailers because they don't fit the definition that would be
441 subject to the HUD standards with respect to manufactured
442 housing so the travel trailers, which were used as what was
443 anticipated to be temporary housing but became more permanent
444 for many people had these terrible health effects.

445 And Mr. Braley and I and others participated in hearings
446 on Oversight and Government Reform that at this, so I
447 appreciate your bringing attention to this in terms of how
448 the travel trailers that were used at that time are now being
449 disposed of but also to get us to think going forward how we
450 better regulate the use of those kinds of trailers, and
451 address overall the formaldehyde emissions, so thank you for
452 holding a hearing. I look forward to hearing from the
453 witnesses, and I yield back.

454 [The prepared statement of Mr. Sarbanes follows:]

455 ***** COMMITTEE INSERT *****

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456 Mr. {Rush.} The chair now recognizes the ranking member
457 of the full committee, my friend from Texas, Mr. Barton, is
458 recognized for 5 minutes.

459 Mr. {Barton.} Thank you, Mr. Chairman. I notice you
460 have moved your vehicle. You have got a different parking
461 place now, so it is in running condition.

462 Mr. {Rush.} You can move it now. It will move.

463 Mr. {Barton.} Have you tested it for formaldehyde, Mr.
464 Chairman?

465 Mr. {Rush.} Yes, it has. It has been tested for it.
466 Thank you.

467 Mr. {Barton.} Our chairman has a sports car that is--it
468 is not an antique but it is older than most of the vehicles
469 and it would be a great auction item because if it is in
470 running condition. Anyway, thank you, Mr. Chairman, for
471 holding this hearing. We have all heard the joke about would
472 you buy a used car from this person. Well, the question is
473 would you buy a used trailer from Uncle Sam? That is the
474 purpose of today's hearing. With all good intentions, the
475 federal government after Katrina and Rita purchased over
476 120,000 trailers for people to temporarily live in the
477 aftermath of those two hurricanes. I think it is good public
478 policy when the need passes to auction them off into the

479 private marketplace, so I don't have a basic problem with
480 what has been attempted to have been done.

481 Unfortunately, we have found out in the climate in the
482 Gulf Coast, some of these trailers if left unoccupied and
483 closed up, the humidity and the heat concentration inside the
484 trailer apparently releases formaldehyde in concentrations
485 that can be unhealthy. There is a bigger question and the
486 chairman of the subcommittee is considering legislation on
487 what to do about the formaldehyde in the manufactured
488 housing, but the purpose of this hearing is to determine
489 exactly what FEMA and other environmental agencies knew and
490 when they knew it, and, what, if anything, can be done in
491 terms of the sales of these trailers.

492 I do not represent Louisiana, obviously, or Mississippi.
493 I do represent Texas, and part of my district was hit by
494 Hurricane Rita, so this is something that is of more than
495 passing interest to me. I hope we have a productive hearing,
496 Mr. Chairman, and I hope that we all engage in it in a
497 positive way to get real answers so that we can help
498 determine what the appropriate solution is to this problem.
499 With that, Mr. Chairman, I yield back.

500 [The prepared statement of Mr. Barton follows:]

501 ***** COMMITTEE INSERT *****

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502 Mr. {Rush.} The chairman thanks the gentleman. The
503 chair now recognizes the gentle lady from Ohio, Ms. Sutton,
504 for 2 minutes.

505 Ms. {Sutton.} Thank you, Chairman Rush, for holding
506 today's important hearing on the public sales of Hurricane
507 Katrina and Rita FEMA trailers. Our hearts go out to the
508 families who were displaced by Hurricane Katrina and Rita
509 nearly 5 years ago. After losing their homes, their personal
510 belongings, and, unfortunately, loved ones, affected citizens
511 were moved into trailers purchased by FEMA. To add insult to
512 injury, some people began experiencing breathing
513 difficulties, persistent headaches, and nosebleeds caused by
514 high levels of formaldehyde. Formaldehyde, considered to be
515 a human carcinogen. This shocked and horrified the public,
516 and FEMA began relocating residents. Government agencies
517 suggested that families who live in FEMA-supplied travel
518 trailers and mobile homes should spend as much time outdoors
519 in the fresh air as possible.

520 FEMA then worked with GSA to sell large lots of the
521 trailers, the very trailers residents were advised to stop
522 living in or to stay out of as much as possible. This chain
523 of events is alarming, and we must ensure that the correct
524 lessons are learned so that this troubling piece of American

525 history is never repeated. I am interested to hear from
526 today's witnesses how putting a disclaimer regarding the
527 unsafe levels of formaldehyde complies with the GSA
528 regulations. GSA is prohibited from selling property that is
529 dangerous to public health or safety without first rendering
530 such property innocuous or providing for adequate safeguards
531 as part of the exchange or sale.

532 In addition, I am proud to co-sponsor the formaldehyde
533 standards for composite wood production introduced by
534 Representative Matsui. That bill will protect the health of
535 American families from high uses of formaldehyde and common
536 household products like flooring and paneling regardless of
537 where it is made. And I have introduced the Board of
538 Manufacturers Legal Accountability Act of 2010 to protect
539 American consumers and businesses from defective products
540 manufactured abroad. The American people deserve and demand
541 that the products they are sold or in this case of products
542 purchased by their government as part of a response to a
543 national disaster are safe for themselves and their families.
544 Thank you.

545 [The prepared statement of Ms. Sutton follows:]

546 ***** COMMITTEE INSERT *****

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547 Mr. {Rush.} The chair recognizes the gentleman from
548 Florida, Mr. Stearns, for 2 minutes.

549 Mr. {Stearns.} Mr. Chairman, thank you for holding this
550 important hearing. FEMA was tasked, as we all know, with
551 providing emergency housing in the form of mobile homes and
552 travel trailers to almost 150,000 residents of Mississippi,
553 Alabama, and, of course, Louisiana when the region was
554 devastated by back-to-back hurricanes, Katrina and Rita, in
555 the summer of 2005. You know, 2006 heard claims from some of
556 the occupants of the travel trailers about poor indoor air
557 quality and concerned about elevated formaldehyde levels.
558 But then as a result FEMA asked the Agency for Toxic
559 Substance and Disease Registry to evaluate. They just asked
560 them to evaluate the air quality and they took some samples
561 of the unoccupied trailers that FEMA were still storing and
562 subsequently asked the Center for Disease Control to study
563 the air quality for the occupied units.

564 Their study did reveal high levels of formaldehyde while
565 the CDC study revealed that the emission rates in occupied
566 trailers were much lower. I think that is important to also
567 bring out. Our subcommittee should note that according to
568 the ATSDR there is a correlation between temperature and
569 formaldehyde levels with lower temperatures and proper

570 ventilation resulting in lower concentrations and higher
571 temperatures and no ventilation resulting in higher levels.
572 So it is clear to me that this is what happened.

573 Nonetheless, the sale of the FEMA trailers was suspended
574 in 2007 to rightfully ensure the protection of consumers, and
575 I think that is justified and I am glad we are doing that.
576 However, this federal court order on the sale of FEMA travel
577 trailers expires the 1st of January of this year. It is,
578 therefore, prudent of us to examine today, Mr. Chairman,
579 whether the sale of these trailers is truly safe. If they
580 pose a real health risk to consumers or perhaps if someone
581 buys this travel trailer, can he or she clean it up on their
582 own. A travel trailer can be sold at a discount and possibly
583 not create a problem. So this is a timely hearing, Mr.
584 Chairman, and I appreciate your leadership in bringing it
585 forward. Thank you.

586 [The prepared statement of Mr. Stearns follows:]

587 ***** COMMITTEE INSERT *****

|
588 Mr. {Rush.} The chair now recognizes the gentleman from
589 Texas, Mr. Green, for 2 minutes.

590 Mr. {Green.} Thank you, Mr. Chairman, for holding the
591 hearing on the sale of the FEMA trailers that received so
592 much public attention and scrutiny when it began appearing in
593 the aftermath of Hurricanes Katrina and Rita. I know this
594 hearing is about the sale of the trailers, but I also would
595 like to raise the direct problems that the high rise of
596 formaldehyde in trailers and mobile homes caused in our
597 district in the area devastated by Hurricane Ike. FEMA spent
598 nearly \$3 billion adding trailers and mobile homes to their
599 inventory in 2005 after these two hurricanes, but less than a
600 year later the reports of excess levels of formaldehyde began
601 causing serious concerns and FEMA stopped distributing the
602 trailers. One of the lasting impacts of oversight on FEMA's
603 part that surfaced in the aftermath of Hurricane Ike, which
604 hit the Texas upper Gulf Coast in September, 2008 and
605 devastated the district I represent, was that FEMA was not
606 able to provide temporary mobile housing in a timely manner
607 after the hurricane.

608 It was over a month after Ike hit that trailers started
609 arriving for Ike victims, and it took significant involvement
610 from local officials in the states to ensure these trailers

611 and mobile homes met safe formaldehyde levels. I would like
612 to make this last point. While our district has
613 significantly recovered, there are still folks living in
614 trailers in some of the hardest hit areas like Galveston,
615 Texas along the coast. These people need to have options to
616 get out of those trailers before the next hurricane season
617 starts, June 1, and I hope that FEMA is working with them to
618 find alternatives.

619 Mr. Chairman, the specific issue at hand, and I am glad
620 we are looking at the issue of the sale of these trailers
621 procured in 2005, the potential for high levels of
622 formaldehyde, mold, mildew, and other health hazards is too
623 great, and I am concerned FEMA and GSA move forward too
624 quickly without proper assurances these trailers would not be
625 put to uses that endanger the public. I look forward to
626 hearing from our witnesses today on what precautions were
627 taken and what assurances they can provide that these
628 trailers will not be used in such ways that will jeopardize
629 human health including human habitation. It is one thing to
630 use a construction trailer, but it is one thing to spend a
631 night in a trailer that has problems with formaldehyde, mold,
632 and mildew. And again, Mr. Chairman, I thank you for holding
633 the hearing, and I yield back my time.

634 [The prepared statement of Mr. Green follows:]

635 ***** COMMITTEE INSERT *****

|

636 Mr. {Rush.} The chair thanks all the members for their
637 openings statements. Now we will move to the regular order
638 and here we will invite our panelists to give opening
639 statements. But before they give their opening statements,
640 let me introduce them and also swear them in. On my left is
641 Mr. David Garratt. Mr. Garratt is the Associate
642 Administrator for FEMA Mission Support Bureau, Department of
643 Homeland Security. Seated next to Mr. Garratt is Mr. James
644 J. Jones, the Deputy Assistant Administrator, Office of
645 Prevention, Pesticides, and Toxic Substances for the
646 Environmental Protection Agency. And next to Mr. Jones is
647 Mr. Steven Kempf. Mr. Kempf is the Acting Commissioner of
648 the Federal Acquisition Service for the General Services
649 Administration. Again, I want to thank each and every one of
650 your gentlemen for appearing before this subcommittee. And
651 it is the practice of this subcommittee to swear in
652 witnesses, so I would ask if you would please stand and raise
653 your right hands.

654 [Witnesses sworn.]

655 Mr. {Rush.} Let the record reflect that all the
656 witnesses have responded in the affirmative. And let me
657 recognize now for opening statement for 5 minutes Mr.
658 Garratt, and then we will proceed in that order.

|
659 ^TESTIMONY OF DAVID GARRATT, ASSOCIATE ADMINISTRATOR, FEMA
660 MISSION SUPPORT BUREAU, DEPARTMENT OF HOMELAND SECURITY;
661 JAMES J. JONES, DEPUTY ASSISTANT ADMINISTRATOR, OFFICE OF
662 PREVENTION, PESTICIDES, AND TOXIC SUBSTANCES, U.S.
663 ENVIRONMENTAL PROTECTION AGENCY; STEVEN KEMPF, ACTING
664 COMMISSIONER, FEDERAL ACQUISITION SERVICE, GENERAL SERVICES
665 ADMINISTRATION

|
666 ^TESTIMONY OF DAVID GARRATT
667 } Mr. {Garratt.} Thank you, and, good morning, Chairman
668 Rush, Ranking Member Whitfield, and other distinguished
669 members of the subcommittee. My name is David Garratt. I am
670 the Associate Administrator for Mission Support within the
671 Federal Emergency Management Agency within the Department of
672 Homeland Security. On behalf of the agency and the
673 department, I appreciate the opportunity to discuss show FEMA
674 is producing, employing, and disposing of temporary housing
675 units. First, it may be helpful to establish some common
676 frames in terms of reference and provide a little context.
677 Within the FEMA vernacular, a temporary housing unit is a
678 manufactured home, recreational vehicle, or other readily
679 fabricated dwelling. These dwellings include mobile homes,
680 park models, travel trailers, and various types of

681 alternative housing. While all temporary housing units are
682 distinguished by their ability to be delivered, installed,
683 and inhabited within a relatively short time frame, not all
684 temporary housing units are designed to be inhabited for
685 lengthy periods of time.

686 FEMA provides temporary housing units under our
687 Individual Assistance program which such assistance has been
688 specifically requested by a governor and authorized by the
689 President as part of a major disaster or emergency
690 declaration. Whenever Individual Assistance is authorized,
691 the program is 100 percent federally funded. Generally, FEMA
692 provides temporary housing units when sufficient fair market
693 rental units are not available within an affected area.
694 Temporary housing units can be provided in two types of
695 settings, on private property or in community sites.

696 Installing temporary housing units on private property
697 is preferred. It keeps disaster survivors on their own
698 property, providing proximity to the damaged homes that they
699 wish to repair. It also allows adults to remain near their
700 places of employment and children near their schools.
701 Further, it helps physically and financially stabilize
702 traumatized neighborhoods and contributes to faster recovery.
703 However, because most private sites are relatively small,
704 they often cannot accommodate mobile homes, which are

705 designed for long-term habitation. FEMA will only install
706 smaller travel trailers on private sites if the damaged
707 structure can be repaired to the point of re-habitation
708 within six months.

709 Community sites are employed when private site
710 installation is not available to disaster survivors, such as
711 when large numbers of apartment renters are displaced and
712 insufficient fair market rental resources are available. In
713 such cases, FEMA must obtain access to land capable of
714 supporting multiple mobile homes and/or park models or other
715 forms of alternative temporary housing. If existing sites
716 are not available, FEMA may build a community site from
717 scratch, to include providing the supporting utility
718 infrastructure. FEMA will not install travel trailers in
719 community sites.

720 Prior to and during the response to Hurricane Katrina,
721 FEMA procured temporary housing units that were manufactured
722 to prevailing industry standards. While mobile home
723 instruction was and is regulated by the Department of Housing
724 and Urban Development, recreational vehicles, such as park
725 models and travel trailers, are not. On February 14, 2008,
726 the Centers for Disease Control issued its interim report
727 that suggested many of the Katrina-era purchased units tested
728 possessed higher than typical indoor background formaldehyde

729 levels. Though no federal guidelines existed for residential
730 air quality levels, FEMA invoked construction specifications
731 for all new forms or manufactured housing that dramatically
732 reduced formaldehyde levels to well below standard
733 commercially produced units. FEMA's new requirements were
734 rigorous, so rigorous, in fact, that manufacturers were
735 uncertain whether these standards could be met. Through our
736 persistence, we successfully obtained units built to these
737 exacting and unprecedented standards.

738 All temporary housing units currently being purchased by
739 FEMA must meet extremely rigorous air quality specifications.
740 FEMA requires that every unit must test below 0.016 per
741 million, which is lower than the residential formaldehyde
742 emission levels established by any of the 50 states.
743 Further, FEMA requires that any recreational vehicles that it
744 purchases contain air ventilation systems that are comparable
745 to a mobile home, further contributing to a sustained
746 reduction in formaldehyde levels. These new FEMA units
747 continue to surpass any commercially available manufactured
748 housing unit in air quality.

749 Although all the temporary housing units that FEMA is
750 now commissioning for production and providing to disaster
751 survivors meets FEMA's stringent air quality specifications,
752 FEMA has also been storing at multiple sites across the

753 country and at considerable costs tens of thousands of used
754 legacy units left over from the Katrina era. These legacy
755 units include mobile homes, park models, and travel trailers.
756 FEMA strives to be a fully accountable steward of government
757 resources and ensure that taxpayer funds are used
758 responsibly. Accordingly, following the removal of court-
759 ordered restrictions on their disposition, FEMA began working
760 to responsibly dispose of these units through the General
761 Services Administration sales program.

762 FEMA's ability to dispose of these units is dictated by
763 the Stafford Act, which authorizes FEMA to dispose of units
764 in only one of two ways, either by sale to anyone, including
765 the occupant, or by transfer, donation, or sale to a
766 jurisdiction or voluntary organization. However, the latter
767 disposition option can be employed only when the unit will be
768 used to provide housing to disaster survivors. FEMA and GSA
769 implemented rigorous measures to ensure that these units
770 would not be used as housing. As my GSA colleague will
771 discuss, FEMA and GSA placed restrictions on the use of the
772 travel trailers as housing and required that all buyers fully
773 convey those usage restrictions to subsequent buyers or
774 recipients.

775 Buyers must certify that they understand that there may
776 be formaldehyde emissions and that travel trailers are

777 commercial recreational vehicles and are not intended to be
778 used as housing, and that subsequent owners must continue to
779 similarly inform subsequent buyers for the life of the unit.
780 This certification is a binding legal document. Finally, no
781 aspect of recovery is more critical to the timely and
782 sustainable revitalization of a disaster-impacted community
783 than the return of its citizens and workforce, and no aspect
784 of recovery is more critical to supporting the return than
785 the availability of housing, both permanent and temporary.

786 States have made it unequivocally clear that they want
787 and expect travel trailers to remain a part of our inventory
788 because in many cases a travel trailer is the only unit that
789 will fit on suburban private property. We have heeded that
790 call be partnering with the industry that manufactures these
791 units, leading the design and production of travel trailers
792 that achieve greatly improved air quality levels. We will
793 continue to work with our partners in and out of government
794 to improve temporary housing capabilities. Thank you. I
795 look forward to your questions.

796 [The prepared statement of Mr. Garratt follows:]

797 ***** INSERT 1 *****

|
798 Mr. {Rush.} The chairman recognizes Mr. Jones for 5
799 minutes.

|
800 ^TESTIMONY OF JAMES J. JONES

801 } Mr. {Jones.} Chairman Rush, Ranking Member Whitfield,
802 and members of the subcommittee, thank you for the
803 opportunity to speak with you today regarding EPA's efforts
804 on formaldehyde. Formaldehyde is a widely-used chemical and
805 may be found both indoors and outdoors. It is used in
806 building materials and household products and can also be
807 produced as a by-product of combustion. In homes, the most
808 significant current sources of formaldehyde are likely to be
809 pressed wood products using adhesives that contain urea-
810 formaldehyde resins.

811 Inhalation of formaldehyde can cause irritation of the
812 eyes, nose, throat, and skin, as well as inflammation and
813 damage to the upper respiratory tract, depending on both the
814 level and length of exposure. Additionally, there is some
815 new evidence that formaldehyde exposures may impact pulmonary
816 function and increase respiratory symptoms, asthma, and
817 allergic sensitization in children. There is evidence that
818 some people can develop sensitivity to formaldehyde. In
819 2005, the International Agency for Research on Cancer, IARC,
820 concluded that there is sufficient evidence in humans and
821 sufficient evidence in experimental animals for the

822 carcinogenicity of formaldehyde.

823 EPA is currently engaged in a reassessment of the
824 potential cancer and non-cancer risks of formaldehyde that
825 will be entered into EPA's Integrated Risk Information System
826 or IRIS program. As part of the IRIS reassessment process,
827 EPA will be reexamining its conclusions regarding the cancer
828 and non-cancer health effects of inhalation of formaldehyde.
829 At this moment, EPA is conducting an interagency science
830 consultation on the draft formaldehyde assessment. We
831 anticipate releasing the draft formaldehyde assessment for
832 independent external peer review and public review and
833 comment in the near future. The independent peer review will
834 be conducted by an expert scientific panel that has been
835 convened by the National Academy of Sciences.

836 The NAS peer review report is expected to be provided to
837 EPA in January or February of 2011. The recent focus on
838 formaldehyde in the Office of Chemical Safety and Pollution
839 Prevention result in part from a March 2008 petition from 25
840 organizations and approximately 5,000 individuals to adopt
841 the California state regulation regarding emissions of
842 formaldehyde from three types of composite wood products.
843 The petitioners asked EPA to exercise its authority under
844 TSCA section 6 to adopt and apply nationally the California
845 formaldehyde emissions regulations for these composite wood

846 products.

847 In response, EPA announced on June 24, 2008, EPA's plan
848 to issue an Advance Notice of Proposed Rulemaking to initiate
849 a proceeding to assist us in obtaining a better understanding
850 of the available control technologies and approaches,
851 industry practices, and the implementation of California's
852 regulation. The ANPR was issued on December 3, 2008, and
853 describes EPA's initial steps in that investigation. We
854 currently anticipate being able to make a determination on
855 pursuing regulatory actions in 2011. If EPS proposes new
856 regulations at that time, a final rule could be anticipated 1
857 to 3 years later. Restoring confidence in our chemical
858 management system is a top priority for EPA and an
859 environmental priority for the Obama Administration. The
860 Administration's principles for how TSCA should be revised
861 and modernized call for stronger and clearer authority for
862 EPA to collect and act upon critical data regarding chemical
863 risks.

864 Under a reformed TSCA, EPA should have the necessary
865 authority and tools, such as data call-in, to quickly and
866 efficiently require testing or obtain other information from
867 manufacturers that is relevant to determining the safety of
868 chemicals. EPA should have clear authority to establish
869 safety standards that are based on scientific risk assessment

870 and to take risk management actions when chemicals do not
871 meet the safety standard. The recent introduction of TSCA
872 reform legislation in the Senate and release of a discussion
873 draft in the House are major steps forward in this effort to
874 reform TSCA. We look forward to working with Congress and
875 the subcommittee to reform TSCA in the near future. Thank
876 you for the opportunity to present EPA's views, and I am
877 happy to answer any questions the subcommittee may have.

878 [The prepared statement of Mr. Jones follows:]

879 ***** INSERT 2 *****

|

880 Mr. {Rush.} Thank you very much. The chair recognizes
881 Mr. Kempf for 5 minutes.

|
882 ^TESTIMONY OF STEVEN KEMPF

883 } Mr. {Kempf.} Good morning, Chairman Rush, Ranking
884 Member Whitfield, and members of the subcommittee. Thank you
885 for the opportunity to participate in today's hearing. My
886 name is Steven Kempf. I am the Acting Commissioner of the
887 Federal Acquisition Service within the General Services
888 Administration. GSA's mission is to use expertise to provide
889 innovative solutions for our customers in support of their
890 missions, and by doing so fostering an effective,
891 sustainable, and transparent government for the American
892 people. GSA is comprised of two services, the public
893 building service, which provides workplaces by constructing,
894 managing, and preserving government buildings, and by leasing
895 and managing commercial real estate. The Federal Acquisition
896 Service or FAS offers professional services, equipment,
897 supplies, telecommunications, fleet, travel services,
898 purchase cards, and information technology to all government
899 agencies.

900 Specific to this hearing, FAS manages the federal
901 program for the disposal of personal property. This is
902 operated by the Office of Personal Property Management, part
903 of our Office of General Supplies and Services business

904 portfolio. There is a process by which GSA manages disposal
905 or reuse of personal property. Our first priority is to
906 facilitate the transfer of one agency's excess property to
907 another federal agency. Our second priority is the donation
908 of surplus property to state and local government agencies
909 and various other eligible non-profit organizations.

910 Any remaining property is then offered for sale to the
911 general public. In support of utilization, federal
912 transfers, and donations, GSA is a mandatory source, that is,
913 statute and regulation require agencies to report their
914 excess property to GSA for screening for transfer and
915 donation. For sales services, GSA is just one of several
916 agencies approved and authorized as sale centers. FAS' sales
917 program is the most comprehensive as it is the only sales
918 center approved to support any agency nationwide for any
919 commodity and using any method of sale. Sometimes agencies
920 own property which they have determined must be replaced.
921 FAS facilitates this replacement under the Exchange Sale
922 Authority.

923 In this case, proceeds from the sale are returned to the
924 owning agency to help offset the cost of the purchase of
925 replacement property. In working with FEMA, some travel
926 trailers and other models of temporary housing units, park
927 models, and manufactured housing were made available for

928 transfer and donation. Others were offered for sale under
929 the Exchange Sale Authority. At GSA most of the property we
930 offer for competitive sales to the general public is sold
931 through GSA auctions or internal auction sites. All GSA
932 sales, whether on the internet or live, are also listed on
933 govsales.gov, the federal asset sales central portal for all
934 government sales.

935 GSA acted as the sales agent for FEMA while they
936 retained physical custody and ownership of these units. We
937 conducted these sales through GSA auctions selling travel
938 trailers, mobile home, and park models. We sold them as
939 single units or in large multiple lots, ranging from as few
940 as 10 units to over 22,000 units in one lot. GSA provides
941 full and complete descriptions, including any known
942 deficiencies if such information is provided by the owning
943 agency. With respect to these trailers, there are no
944 specific special requirements for sale of temporary housing
945 units. Federal regulations address special requirements for
946 disposal processing of specified categories of items
947 requiring special handling. FEMA did not identify the
948 temporary housing units as falling under any of these
949 identified categories such as hazardous materials, a
950 munitions item list, or an item containing asbestos.
951 Therefore, no special requirements were applicable to these

952 sales. GSA agreed with FEMA's conclusion.

953 The first temporary housing unit sales in significant
954 quantities post-Katrina began in 2006. After the health
955 concerns regarding the questionable formaldehyde levels were
956 made known to GSA, FAS developed a certification statement
957 for purchasers in coordination with FEMA, which included
958 notices of the potential formaldehyde and later added
959 restrictions on the use of the units for housing. The
960 certification statement and restriction for purchasers of
961 travel trailers is a binding document and is made in
962 accordance with and subject to criminal penalties in Title
963 18, Section 1001 of the U.S. Code, Crime and Criminal
964 Procedures. Prospective bidders were provided a link in each
965 sales listing where they were required to read and to certify
966 acceptance before being able to submit a bid.

967 On March 2 of this year, GSA also sent an e-mail to
968 buyers of travel trailers reminding them of that requirement
969 of the certification. GSA also referred all known violations
970 to GSA's Office of Inspector General for investigation. We
971 recently completed the sales of the remaining inventory held
972 by FEMA. At the end of January, the majority of the
973 remaining units, a total of 101,802 units, were sold in 11
974 lots in GSA auctions. For the most part, all lots have been
975 paid in full with removal process well underway. There were

976 3 lots where the successful bidder defaulted on the contract.
977 One of those lots was successfully re-offered for sale. One
978 must again be re-offered, and finally FEMA has elected not to
979 offer the units at one of the remaining sites. Instead, FEMA
980 has determined that they are excess property and they were
981 offered for transfer to other federal agencies or donation to
982 state and local organizations.

983 Many of those units have now been transferred or
984 donated. Throughout this process, a total of 4,666 units
985 have been transferred to other agencies, and another 4,070
986 have been donated to eligible organizations. I want to thank
987 the committee for this opportunity to speak to the honorable
988 members, and I am happy to answer any questions that you
989 might have.

990 [The prepared statement of Mr. Kempf follows:]

991 ***** INSERT 3 *****

|
992 Mr. {Rush.} The chair thanks the gentleman. I want to
993 begin by asking Mr. Kempf, in your statement you refer to
994 purchases that are down from the original purchases and that
995 they were under a contract obligation. I think Mr. Garratt
996 indicated they were under a contract obligation that if they
997 sold these trailer homes to any other person then they could
998 be prosecuted. They would be in violation of the contract.
999 Is that correct? Did I understand you correct?

1000 Mr. {Garratt.} I did say it was a binding, legal
1001 contract, yes, sir.

1002 Mr. {Rush.} And what are the prohibitions under that
1003 contract for the purchaser?

1004 Mr. {Garratt.} Essentially, the prohibitions are that
1005 they agree not to use or to sell these units to be used as
1006 housing and that if they do subsequently transfer or sell
1007 these units to someone else that they must inform those
1008 individuals of these prohibitions that it is not to be used
1009 as housing.

1010 Mr. {Rush.} And if they do, they are subject to civil--

1011 Mr. {Garratt.} Let me ask my colleague who wants to
1012 weigh in on this, sir.

1013 Mr. {Kempf.} I did want to also mention that they were
1014 also required to identify that there may be potential hazards

1015 with the formaldehyde as well.

1016 Mr. {Rush.} So, in essence, you are telling them that
1017 the federal government has sold it to them and they can't
1018 sell it to someone else, is that what you are saying?

1019 Mr. {Kempf.} They could sell it to someone else but
1020 they had to convey to them the issues we had identified in
1021 the certification that they were not to be used as housing
1022 units and that there were potential issues with formaldehyde.

1023 Mr. {Rush.} Mr. Kempf, what were the other options on
1024 the table besides the sale of the trailer homes?

1025 Mr. {Kempf.} GSA essentially implements working with
1026 our customer the option that they had chosen. In this case,
1027 our customer, FEMA, had decided to use the Sale Exchange, so
1028 we did review the regulations. We did not find anything that
1029 would stop us from doing the sale so we moved forward with
1030 the auction.

1031 Mr. {Rush.} And can you kind of give the subcommittee
1032 an idea of the picture of the process? Can you describe step
1033 by step what a person--conduct a sale for us. What would be
1034 some of the steps that a person would go through in terms of
1035 a sale?

1036 Mr. {Kempf.} When a customer does come to GSA and asks
1037 for a sale under the Exchange Sale Program, we sit with the
1038 customer, identify the kind of items that were going to be

1039 for sale, work with them on the best approach to selling,
1040 whether that be a live auction or we use our internet
1041 auctions. We then provide a description as provided by our
1042 customer agency and then offer the items for sale to the
1043 general public.

1044 Mr. {Rush.} And a normal purchaser, are they a dealer
1045 or a business, a reseller, or are these individuals,
1046 specifically with these trailer homes, are they people who
1047 buy multiple items from GSA or they buy multiple homes? Are
1048 they dealers?

1049 Mr. {Kempf.} We sold the trailers any number of ways.
1050 We sold them individually. We sold them in small lots. We
1051 sold them in larger lots. The general public is allowed to
1052 purchase. I think some of them were bought by individuals.
1053 Some of them were bought by dealers. I think there was a
1054 range of individuals and organizations that did purchase
1055 under the auctions that we held.

1056 Mr. {Rush.} Had you looked at in any way the
1057 extraordinary requirement or the conditions or considerations
1058 that we hold as a government agency properties that were
1059 formaldehyde infested?

1060 Mr. {Kempf.} With our counsel we reviewed the existing
1061 regulations, the prohibitions in those regulations, and then
1062 the information that was provided to us. Additionally,

1063 because there was nothing regarding formaldehyde save for the
1064 HUD regulations, we felt it was important to provide
1065 additional information to the potential buyers, which we did
1066 with the certification and the restrictions on the purchase.
1067 Unfortunately, the regulations didn't allow us--there was no
1068 other regulation to review with respect to formaldehyde that
1069 would have prevented us from going forward with the sales.

1070 Mr. {Rush.} That concludes my time. I recognize now
1071 Mr. Whitfield.

1072 Mr. {Whitfield.} Thank you. Thank you all for your
1073 testimony. Mr. Garratt, how old is FEMA? How long has FEMA
1074 been in existence?

1075 Mr. {Garratt.} Since 1979.

1076 Mr. {Whitfield.} 1979. And during that time, I guess
1077 it has been customary to provide these mobile homes, park
1078 trailers, and travel trailers for temporary housing, is that
1079 correct?

1080 Mr. {Garratt.} It preceded FEMA's existence, sir, yes.

1081 Mr. {Whitfield.} So it is something that has been going
1082 on for quite some time?

1083 Mr. {Garratt.} Yes, sir.

1084 Mr. {Whitfield.} Now in the Katrina disaster, how was
1085 the decision made to provide this temporary housing? Was it
1086 in response to a request from the governor of Louisiana or

1087 the White House or how was that decision made?

1088 Mr. {Garratt.} It was a direct result of the situation
1089 that the states, Louisiana, Mississippi, Alabama, Texas faced
1090 at the time, yes. Each one of the governors requested
1091 individual assistance. Each of them requested this form of
1092 support as did the jurisdictions. How we responded in each
1093 one of the jurisdictions was largely dependent on what the
1094 jurisdictions would support. Not all jurisdictions wanted
1095 community sites, for example, others did. Most of the
1096 jurisdictions were very interested in having us provide these
1097 on an individual's private property where we could.

1098 Mr. {Whitfield.} So the states were making the basic
1099 decisions on the type of--whether it was community siting or
1100 whatever?

1101 Mr. {Garratt.} I would say it was a joint decision,
1102 sir, as opposed to--the state was contributing to that. They
1103 were indicating preferences and then we were working to try
1104 to satisfy what it was that a state and again individual
1105 jurisdictions requested.

1106 Mr. {Whitfield.} I notice that HUD has a standard of 4
1107 parts per million of formaldehyde in the trailers. These
1108 units that went out from FEMA initially to Katrina victims,
1109 did it exceed or was it equal to the HUD requirement at that
1110 time?

1111 Mr. {Garratt.} The HUD requirement applied only to
1112 mobile homes. The vast majority of units that FEMA rolled
1113 into the Gulf Coast were recreational vehicles, predominantly
1114 travel trailers. As you know, travel trailers are not
1115 designed to be long term.

1116 Mr. {Whitfield.} Right.

1117 Mr. {Garratt.} So the answer is they were not built to
1118 meet HUD standards. They were built to meet industry
1119 standards.

1120 Mr. {Whitfield.} So the problem exceeded it at that
1121 point and then at some point, I think in your testimony you
1122 indicated that you all asked manufacturers to meet this
1123 standard, is that correct?

1124 Mr. {Garratt.} We did two things, is because we had a
1125 fair number of legacy units, new units remaining following
1126 Hurricane Katrina, we had states that required the use of
1127 mobile homes, park models, et cetera, we required states to
1128 establish levels that were acceptable to them. We would test
1129 units and then roll in units that met those. We are also
1130 separately building or having built units that meet a much
1131 more rigorous standard, which is the .016 PPM standard.

1132 Mr. {Whitfield.} The Centers for Disease Control, on
1133 April 24, 2008, released a health study of children in
1134 Hancock County, Mississippi who were between 2 and 12 years

1135 old, and the study's purpose was to determine if the upper
1136 respiratory health of children living in FEMA trailers
1137 differed from those who did not, and the results showed no
1138 discernible difference. And I am just curious because of
1139 this health issue and the publicity surrounding it, did FEMA
1140 at any time conduct some sort of a survey or accumulate data
1141 relating to the health of people who lived in these trailers?

1142 Mr. {Garratt.} FEMA has not, but we have provided
1143 funding to the Department of Health and Human Services
1144 Centers for Disease Control to do some studies, and that
1145 includes a children's health study.

1146 Mr. {Whitfield.} And have any results come in from
1147 that?

1148 Mr. {Garratt.} We do not have any results yet.

1149 Mr. {Whitfield.} And do we know when these results may
1150 be coming?

1151 Mr. {Garratt.} I believe CDC is still working on the
1152 contract, but I do not have a date.

1153 Mr. {Whitfield.} Okay. So that is pending at this
1154 point in time. Mr. Jones, has EPA formally adopted the
1155 California standard yet on formaldehyde?

1156 Mr. {Jones.} We have not. As I mentioned in my
1157 testimony, we are considering the adoption of that standard
1158 or some other approach to regulation formaldehyde in pressed

1159 wood, and we will be making the decision about what path to
1160 go down some time in 2011.

1161 Mr. {Whitfield.} Okay, so no action before 2011 from
1162 EPA. Okay. My time has expired, Mr. Chairman. I would like
1163 to just also welcome Bob Latta of Ohio to this committee. We
1164 know he is going to be a valuable member of the committee,
1165 and I just want to formally thank you for joining. Thank
1166 you.

1167 Mr. {Rush.} The chair recognizes Ms. Sutton for 2
1168 minutes--excuse me, Ms. Sutton, 5 minutes.

1169 Ms. {Sutton.} Thank you, Mr. Chairman. Scientific
1170 evidence shows that formaldehyde can cause cancer,
1171 respiratory problems, and other health conditions, and while
1172 other governmental bodies have made determinations on how
1173 dangerous formaldehyde really is the EPA has been undergoing
1174 its assessment of formaldehyde since 1997. Thirteen years
1175 later, the assessment is still not completed, and I think
1176 that is too long, and the Government Accountability Office
1177 agrees. In 2008 testimony, GAO stated that EPA's inability
1178 to complete its assessment has had a significant impact on
1179 EPA's Air Toxics Program. In particular, GAO notes that in
1180 2004 when EPA promulgated a standard for formaldehyde in
1181 plywood and composite wood products, EPA's Office of Air and
1182 Radiation decided not to use the outdated EPA assessment.

1183 Instead, EPA used a newer industry-funded assessment, which
1184 was seen as unusual and controversial and found by other EPA
1185 staff in the Office of Research and Development to have
1186 numerous problems.

1187 GAO also states that the delay will continue to impact
1188 future EPA regulatory actions, so my question is what is the
1189 average length of time that it takes the EPA to complete a
1190 chemical assessment and is it highly unusual for this
1191 assessment to have taken so long from start to finish
1192 assuming it is completed on time?

1193 Mr. {Jones.} Thank you. It would be hard to answer
1194 that question, the last question that you had, because of the
1195 range of chemicals that we evaluate in the Environmental
1196 Protection Agency. I will say that the administrator has
1197 made it clear that enhancing our existing chemicals program
1198 under TSCA is a priority for her, and part of the expression
1199 of that priority is our assessment on formaldehyde. We
1200 believe that within a month from now, we will have made
1201 public our assessment of both the cancer and the non-cancer
1202 hazards associated with formaldehyde that we will then use to
1203 develop a regulatory strategy with respect to formaldehyde
1204 that will become public and that will become public in 2011.
1205 But our assessment of the hazard of formaldehyde, which right
1206 now is in interagency review within the executive branch,

1207 should be released for public comment in about a month's
1208 time.

1209 Ms. {Sutton.} In your opinion, had the EPA completed
1210 the formaldehyde assessment in a reasonable time frame, do
1211 you think this would have impacted the allowable levels of
1212 formaldehyde in plywood and composite wood products used in
1213 the FEMA trailers prior to the 2005 hurricanes, anybody?

1214 Mr. {Jones.} From the EPA, I would say that a big
1215 priority of this Administration is our implementation of TSCA
1216 as well as reform of TSCA, and I think that is because the
1217 last time we have taken a regulatory action under section 6,
1218 which is the banning or restriction provisions of TSCA, was
1219 1991, and I think it is a combination of the limitations in
1220 that statute and the agency being a little bit gun shy after
1221 we lost a court case in 1991 around that. I think had we
1222 established some formaldehyde standards it may well have
1223 impacted the situation if we had done that before 2004.

1224 Ms. {Sutton.} I appreciate your candor and the answer,
1225 and I also appreciate the fact that obviously this is a new
1226 administration, and I hope that they are going to be far more
1227 aggressive in getting things done in a timely way. Thank
1228 you.

1229 Mr. {Rush.} The gentle lady yields back. The chair now
1230 recognizes Mr. Latta for 2 minutes--I am sorry, 5 minutes.

1231 Mr. {Latta.} Thank you, Mr. Chairman. I appreciate
1232 that. Gentlemen, thanks very much for coming before the
1233 committee today. I am not sure if I missed it in reading
1234 through your testimony or if it is maybe not there, Mr.
1235 Garratt, how much did we pay for the trailers in total? Do
1236 you have a figure on that when all the trailers were
1237 purchased in question?

1238 Mr. {Garratt.} I don't have a figure although I have
1239 heard several of the folks here cite the figure of over \$2
1240 billion, and by trailers for all of the forms of temporary
1241 housing units that were purchased following Hurricane
1242 Katrina.

1243 Mr. {Latta.} You say \$2 billion?

1244 Mr. {Garratt.} I heard that figure cited here. I don't
1245 have the figure in front of me that gives that.

1246 Mr. {Latta.} If we could get that, I would appreciate
1247 that just to check that. And also in looking at the
1248 testimony we were paying about \$130 million to store those
1249 units. The next question I guess I have is of the 22,635
1250 units that are left out there that haven't been sold through
1251 a large lot, I guess one of the questions I have is as these
1252 things are being sold when the inspections were being done,
1253 and maybe all three of you could answer, did you inspect a
1254 certain model or each one of these had to be inspected

1255 individually before they went out for the formaldehyde level?

1256 Mr. {Kempf.} GSA takes the representations that its
1257 customer makes with respect to the property being sold but we
1258 don't actually perform an independent inspection on the
1259 property itself. And often times on the lots, they are open
1260 for inspection by perspective buyers.

1261 Mr. {Latta.} Okay. You say you are taking the
1262 representations from who, please?

1263 Mr. {Kempf.} From our customers. In this case, it
1264 would be FEMA.

1265 Mr. {Latta.} Okay. So on FEMA's side then, going back,
1266 Mr. Garratt, are we saying then with the--so you all had done
1267 the inspection for the formaldehyde level, is that how I
1268 understand that?

1269 Mr. {Garratt.} We can test for formaldehyde but we
1270 don't necessarily inspect for it, and we did not test for
1271 formaldehyde in the vast majority of units that were put up
1272 for sale.

1273 Mr. {Latta.} Okay. I guess the next question then is
1274 as these units are being sold, what kind of notification was
1275 put into the trailer? Was it by FEMA or GSA saying that
1276 these aren't supposed to be inhabited for any length of time,
1277 not for long-term?

1278 Mr. {Kempf.} I believe there were two things done.

1279 One, there was a sticker placed on the window that talked
1280 about the potential of formaldehyde and that it to be used as
1281 housing. Secondly, each of the purchasers before they bid on
1282 the auction was required to sign a certification that they
1283 understood about the nature of the formaldehyde potential and
1284 that they weren't to be used for housing and that that would
1285 be passed on in subsequent sales.

1286 Mr. {Latta.} Now when you say in subsequent sales, is
1287 that something that is put on--like is there a title to these
1288 units?

1289 Mr. {Kempf.} Actually there is a form that is given to
1290 the purchasers that would allow them to go to the state
1291 agency and get an actual title for the unit.

1292 Mr. {Latta.} I was just kind of curious because I know
1293 like in the State of Ohio like if a car has been damaged in a
1294 certain way sometimes something is put on the title, and was
1295 there something that was placed on the title so when these
1296 things were transferred that it would say these were
1297 purchased through GSA by way of FEMA that there could be a
1298 health risk in these?

1299 Mr. {Kempf.} Let me confer with one of my colleagues
1300 who is here.

1301 Mr. {Latta.} Thank you.

1302 Mr. {Kempf.} We would not have put that on anything

1303 except if we sold scrap units, then we would put that
1304 restriction on.

1305 Mr. {Latta.} And then just following up on that line,
1306 is there any follow-up, would anybody ever spot check to find
1307 out where these things went to make sure that the label was
1308 still on the units after they were sold and placed out in the
1309 consumer stream?

1310 Mr. {Kempf.} I don't know that we have gone out and
1311 inspected, but we did get some reports and did follow up with
1312 them with a referral to our Inspector General that sales were
1313 being made. In two instances, we found sales being made
1314 without the proper disclosures in accordance with the
1315 certifications that were made during the auction, and those
1316 were referred to our Inspector General for review.

1317 Mr. {Latta.} Just to follow up quickly on that. I know
1318 my time has expired. What is the Inspector General's
1319 authority then for that review or what is the penalty or what
1320 is the follow-up then through the Inspector General when
1321 someone has removed one of these labels?

1322 Mr. {Kempf.} I am not familiar with their authorities
1323 but there are criminal liabilities which I referenced in my
1324 testimony in federal statutes.

1325 Mr. {Latta.} Thank you very much. I yield back, Mr.
1326 Chairman.

1327 Mr. {Rush.} Mr. Sarbanes is recognized for 5 minutes.

1328 Mr. {Sarbanes.} Thank you, Mr. Chairman. Let me just
1329 preface this by saying what I always say when we have
1330 hearings on chemicals, which is that if the public understood
1331 how little regulation there is of chemicals, they wouldn't
1332 believe it, but I think over time they are discovering it,
1333 and I want to thank the chairman for the hearings he has had
1334 informing TSCA and other efforts to bring more of a regime to
1335 govern chemical use in this country. The travel trailers
1336 that are being sold now by private concerns are presumably
1337 now in a lesser standard than the ones that you have demanded
1338 or you have been able to procure from manufacturers going
1339 forward, right, because the standard you are using--

1340 Mr. {Garratt.} Correct, sir.

1341 Mr. {Sarbanes.} --is much higher than what is still
1342 being delivered out there in the private market?

1343 Mr. {Garratt.} Correct. As far as the new travel
1344 trailers, they are being produced to our specifications.
1345 That is correct.

1346 Mr. {Sarbanes.} Okay.

1347 Mr. {Garratt.} By the way, sir, I would also like to
1348 challenge what appears to be the prevailing misperception
1349 here that the units that we are selling right now are in some
1350 way not ordinary units. In fact, all of the travel trailers

1351 that we are offering for sale through GSA were ordinary
1352 units. They were built to meet or exceed industry standards.
1353 Many of them were purchased off the lots, and they were built
1354 using ordinary building standards, so they are no different
1355 than any units that are being commercially, have been
1356 commercially produced, and are being lived in by or occupied
1357 or used by millions of people throughout the United States.

1358 Mr. {Sarbanes.} Understood. But you have created, you
1359 have staked out now a new standard.

1360 Mr. {Garratt.} Correct.

1361 Mr. {Sarbanes.} And I am curious in terms of EPA, do
1362 you think that is where we are headed? Like what do you
1363 think of this standard that has been set now by FEMA?

1364 Mr. {Jones.} As I mentioned, our assessment is right
1365 now in an interagency review being evaluated so it is a
1366 little bit premature, but I will say that it is in the
1367 ballpark of the number that the agency currently has in that
1368 interagency review that will be made public. That process
1369 wraps up in the near future.

1370 Mr. {Sarbanes.} Well, I would suggest that by reason of
1371 FEMA having now set a new standard, it just raises the
1372 urgency on EPA to move faster because there is going to be a
1373 gap now, right, there is people that are going to assume
1374 ownership of these trailers and other kinds of housing that

1375 will be exposed under a lesser standard than what EPA has
1376 carved out--what FEMA has carved out and EPA needs to catch
1377 up with that new standard quickly.

1378 Mr. {Garratt.} Sir, I just need to clarify one thing,
1379 and that is FEMA is not a standard-setting organization. We
1380 establish specifications.

1381 Mr. {Sarbanes.} I understand. It is the best practice
1382 you put in place, not a standard, but hopefully the standards
1383 will follow behind that. I am real curious, who is buying
1384 these? You talked about 11 lots being auctioned and so
1385 forth. Who is buying those? Just give me some examples.

1386 Mr. {Kempf.} The large lots were generally bought by
1387 dealers. The individual units were bought by individual
1388 buyers. If you need further information, I think we can
1389 provide that to the committee.

1390 Mr. {Sarbanes.} Yeah, I would be curious to get that
1391 information.

1392 Mr. {Kempf.} If you need it, we can provide the list.

1393 Mr. {Sarbanes.} And the other question is, is there any
1394 affirmative like follow-up that you do to just kick the tires
1395 on whether the certification they have made that they are not
1396 going to use these trailers for certain things that that is
1397 being followed through on? Is that something that you plan
1398 to do or could be done?

1399 Mr. {Kempf.} At this point, we have been responding to
1400 complaints, citizen complaints, referrals to us. And I did
1401 want to respond back to the question asked by Congressman
1402 Latta, one of the things that can be done with our Inspector
1403 General is a referral to the U.S. Attorney for prosecution if
1404 they find that the certifications were not complied with.

1405 Mr. {Sarbanes.} Well, I would encourage you maybe to do
1406 a more systematic follow-up because if stories accumulate
1407 that these things ended up with the wrong use then people
1408 want to know why that wasn't done. And, real quickly, the
1409 last question is now that the new trailer, fleet or inventory
1410 is being purchased, are you going to have enough in time for
1411 say the next hurricane season? What is the projection there?

1412 Mr. {Garratt.} Ultimately, it is going to depend on
1413 what the demand is in response to any given incident. What
1414 we plan to have is a baseline inventory of 4,000 units that
1415 we will maintain at two sites. That will be sufficient, we
1416 believe, for us to fill the gap while we stand up,
1417 operationalize, and get production lines moving to then
1418 provide units on a basically just in time delivery schedule.
1419 So the answer is we believe that in a normal disaster
1420 environment that 4,000 will be sufficient to provide that
1421 gap.

1422 Mr. {Rush.} The chair recognizes Dr. Gingrey.

1423 Dr. {Gingrey.} Thank you, Mr. Chairman. Mr. Garratt,
1424 just briefly, explain to us in regard to a mobile home versus
1425 a travel trailer. You know, we are all familiar with the
1426 controversy that occurred at the CDC in regard to the report
1427 and the testing and all the heads that rolled in that agency
1428 over the report or lack of a report. But I am curious to
1429 know was the problem just in these travel trailers or also in
1430 the mobile home type structure that is designed for permanent
1431 living? I think you said in your testimony these travel
1432 trailers are really kind of a weekend sort of thing and folks
1433 are not supposed to be living in those day in and day out,
1434 seven days a week, you know, 24-7. Explain a little bit
1435 about that, you know, why these travel trailers were put on
1436 lots rather than mobile homes.

1437 Mr. {Garratt.} Just a little context, mobile homes,
1438 typically 800 square feet plus, travel trailers 200 square
1439 feet plus. Mobile homes have very robust ventilation systems
1440 and they are also built to HUD standards. Travel trailers
1441 are not built to HUD standards and they don't have robust
1442 ventilation systems. The result, when formaldehyde builds up
1443 in a travel trailer there is less ventilation taking place to
1444 remove that.

1445 We used travel trailers because 80 percent of the units
1446 that we placed in Louisiana were travel trailers and they

1447 were on individuals' private property, and that is because
1448 people wanted their units on their property to help augment
1449 their ability to rebuild their homes and because that is the
1450 only unit that will fit on someone's private property. They
1451 are quickly made. They are mobile. We can roll them in. We
1452 can set them up quickly and get somebody stabilized
1453 relatively quickly, so that is why we used travel trailers in
1454 such numbers in the past. Also, there were restrictions in
1455 terms of the floor plain on the use of mobile homes in
1456 sections of the Gulf Coast that also further reduced our
1457 ability to use mobile homes or larger units down there.

1458 Dr. {Gingrey.} So going forward in the future, is it
1459 safe to say that FEMA would not do that in the future?

1460 Mr. {Garratt.} No, sir. It would be safe to say that
1461 what we are no longer going to do are put travel trailers in
1462 a community site setting. In other words, community site
1463 settings are for people like families who are renters, and so
1464 they don't have some place--a house to rebuild or necessarily
1465 an apartment complex to go back to, and there may not be
1466 apartments that are built for some period of time, and so
1467 they are likely to be in that community site setting for a
1468 long period of time.

1469 A travel trailer is no place for someone to live for a
1470 long period of time. That is why we are restricting their

1471 use to private sites and strictly those sites that we believe
1472 can be rebuilt within a relatively short period of time, say
1473 six months. Further, all of our units are going to be
1474 formaldehyde-reduced units, as well as have these very robust
1475 mobile home style ventilation systems to help further improve
1476 the formaldehyde--

1477 Dr. {Gingrey.} In the travel trailers?

1478 Mr. {Garratt.} That is correct.

1479 Dr. {Gingrey.} All right. Thank you, Mr. Garratt. I
1480 am reassured by that. Mr. Kempf, let me ask you this
1481 following on with what my friend from Ohio, Mr. Latta, was
1482 just asking you. You testified that the GSA provides full
1483 and complete descriptions including known deficiencies if
1484 such information is provided by the owning agency. Did you
1485 tell people interested in the auction that these trailers
1486 indeed had issues with elevated amounts of formaldehyde,
1487 mold, water damager, and gas leaks?

1488 Mr. {Kempf.} We did offer in the description the fact
1489 that there were issues, potential issues, with formaldehyde.
1490 On none of the other issues that you had brought up were
1491 conveyed to us by the owning agency, so I don't believe we
1492 discussed any of that.

1493 Dr. {Gingrey.} Okay. You stated that GSA coordinated
1494 with FEMA to develop a certification statement to inform

1495 purchasers of potential formaldehyde levels and other
1496 restrictions. What criteria did you use to establish the
1497 certificate and the information provided on it? Did you
1498 coordinate with any other federal agencies besides FEMA?

1499 Mr. {Kempf.} Just let me confer with my experts. No.
1500 We did confer with FEMA and with our counsel in both agencies
1501 to develop this certificate.

1502 Dr. {Gingrey.} All right. Let me ask you one final
1503 question in the 10 seconds that I have left. You state that
1504 on March 2, 2010, just a month ago, GSA sent an electronic
1505 mail, e-mail message to buyers of the travel trailers
1506 reminding them of the requirements of the certification.
1507 What did the certification message state?

1508 Mr. {Kempf.} The exact certification that was provided
1509 at the auction?

1510 Dr. {Gingrey.} Yes.

1511 Mr. {Kempf.} I think we have a copy of it that we can
1512 provide to the committee. It was a rather--it is about a
1513 half a page document.

1514 Dr. {Gingrey.} Mr. Chairman, I would request that they
1515 provide that to the committee. I think that is very
1516 important that we have that as part of the record.

1517 Mr. {Rush.} Without objection.

1518 Dr. {Gingrey.} Thank you, Mr. Chairman. And I thank

1519 you, Mr. Kempf. I see my time has expired so I will yield
1520 back to the chairman.

1521 Mr. {Rush.} The chair thanks these witnesses and thanks
1522 the members. We are going to dismiss this panel. Again, we
1523 want to thank you so much for taking the time to come and
1524 share with us your observations and we look forward to
1525 working with you in the future. The record will remain open
1526 for 14 days, and in that 14-day period of time the committee
1527 members through an informal writing will be able to ask
1528 questions, and we ask that you respond in a timely manner.
1529 Thank you so much.

1530 The committee will now ask the second panel to please be
1531 seated. The chair recognizes the second panel. I want to
1532 introduce the second panel to the subcommittee members. On
1533 my left is Mr. Gabe Chasnoff. He is the Director and
1534 Producer of Renaissance Village, which is a documentary that
1535 was described in earlier testimony. Seated next to Mr.
1536 Chasnoff is Dr. Corey Hebert, who is the Chief Medical
1537 Officer for the Recovery School District for the Louisiana
1538 Department of Education. And next to Dr. Hebert is Mr.
1539 Curtis Howard, President of the National Association of State
1540 Agencies for Surplus Property.

1541 I want to inform the witnesses that it is the practice
1542 of this subcommittee to swear in witnesses, so I ask that you

1543 would please stand and raise your right hand.

1544 [Witnesses sworn.]

1545 Mr. {Rush.} Let the record reflect that the witnesses
1546 have all answered in the affirmative. Mr. Chasnoff, you are
1547 recognized. I think you have some film for us for your
1548 testimony, so we will give you about 10 minutes for your
1549 opening statement.

|
1550 ^TESTIMONY OF GABE CHASNOFF, DIRECTOR AND PRODUCER,
1551 RENAISSANCE VILLAGE; COREY HEBERT, M.D., CHIEF MEDICAL
1552 OFFICER, RECOVERY SCHOOL DISTRICT, LOUISIANA DEPARTMENT OF
1553 EDUCATION; CURTIS HOWARD, PRESIDENT, NATIONAL ASSOCIATION OF
1554 STATE AGENCIES FOR SURPLUS PROPERTY

|
1555 ^TESTIMONY OF GABE CHASNOFF

1556 } Mr. {Chasnoff.} First, I would like to thank the
1557 committee for inviting me to speak about my film, Renaissance
1558 Village. It is not likely a film you would have seen on the
1559 shelves of Blockbuster or download on Netflix. In fact,
1560 Renaissance Village has not received any major distribution
1561 through any major film company, and when I asked them why
1562 that was the answer was always the same, because people don't
1563 care anymore about Hurricane Katrina, formaldehyde poisoning
1564 and FEMA trailers. This committee hearing, I believe proves
1565 them wrong. Renaissance Village is named for the largest
1566 FEMA trailer park that was established after Hurricanes
1567 Katrina and Rita devastated the Gulf Coast in 2005. The film
1568 was produced over the course of 18 months from January, 2007
1569 to June, 2008, and focuses on 5 residents desperately trying
1570 to reassemble their lives after losing nearly everything in

1571 the storms.

1572 At the beginning of the shoot no one in the media,
1573 government or inside the trailer park was talking about
1574 formaldehyde in FEMA trailers. We had no idea the story was
1575 going to break. I was an eyewitness to the transformation
1576 many residents experienced as they went from victims of a
1577 natural disaster to victims of federal negligence. It is
1578 important to point out that I tried to keep the story in
1579 Renaissance Village as objective as possible. My goal in
1580 creating the film was not to placate the federal government
1581 or the park residents. I wanted to let each side tell their
1582 story and let those voices speak for themselves.

1583 To me, the story of Renaissance Village is more than
1584 just about formaldehyde in FEMA trailers or government red
1585 tape. It is about the connection between history and
1586 collective memory in one of the most socio-economically
1587 challenged communities in America. Among many of the
1588 residents I met, the frustrating experience with FEMA was
1589 compounded by an already existing sense of being wronged by
1590 the government. Decades of racism, neglect, impoverishment,
1591 and socio-economic isolation hardened into feelings of
1592 dejection and worthlessness. The residents of Renaissance
1593 Village were not simply in need of disaster assistance. The
1594 residents needed reassurance that their existence mattered to

1595 their government, to their neighbors, and to the American
1596 people. I will now present as part of my testimony a short
1597 compilation of the film.

1598 [Video.]

1599 Mr. {Rush.} Do you want to bring your testimony to a
1600 close?

1601 Mr. {Chasnoff.} Yes. I yield it back to you. Thank
1602 you.

1603 [The prepared statement of Mr. Chasnoff follows:]

1604 ***** INSERT 4 *****

|
1605 Mr. {Rush.} The chair now recognizes Dr. Hebert. Dr.
1606 Hebert, you are recognized for 5 minutes or thereabouts.

|
1607 ^TESTIMONY OF COREY HEBERT, M.D.

1608 } Dr. {Hebert.} Thank you, sir. Chairman Rush, and
1609 members of the subcommittee, I just want to thank you for
1610 allowing me to speak. This is something that hits very close
1611 to home for me. Just to give you more background. I am the
1612 Chief Medical Editor for WDSU television which is an NBC
1613 affiliate, and I do investigative reporting as a physician.
1614 And what I have found is that this is a very controversial
1615 emotionally charged issue. We know this. But it really
1616 shouldn't be so controversial because in the grand scheme of
1617 things it is not very controversial at all. Many locations
1618 in New Orleans, and I have lived there for 13 years, my
1619 office was only closed for 30 days after Hurricane Katrina.
1620 Myself and my partner were the only pediatricians practicing
1621 in New Orleans so I think I am one of the few people that can
1622 tell you from the beginning, my office was reopened 30 days
1623 after, about the actual chronology of what I have seen on the
1624 ground in New Orleans.

1625 Many of my patients who were placed in FEMA trailers
1626 initially reported symptoms of nasal congestion, nasal
1627 burning, watery, stinging eyes. Some of the patients were
1628 atopic before they started living in the trailers, and atopic

1629 obviously means having allergic symptoms. But the group of
1630 people I want to talk about today, these people had no
1631 allergic symptoms prior to living in these trailers. They
1632 were perfectly healthy individuals. In these particular
1633 patients the symptoms usually progressed and worsened with
1634 more and more exposure to the formaldehyde.

1635 Over time the prolonged exposure resulted in chronic
1636 conditions like bronchitis, pneumonia, asthma, sometime
1637 neurologic problems. I am the chairperson of the Head Off
1638 Environmental Asthma Program of Louisiana, which is funded by
1639 the National Institutes of Environmental Health, and we have
1640 seen lots of patients that have been exposed to formaldehyde
1641 that have gotten progressively worse and worse. I have had
1642 this aforementioned experience including rashes and skin
1643 infections and skin irritations with over 500 patients.
1644 Children are at most risk for this toxicity and makes it come
1645 sooner to effective gas exposure due to many reasons, and I
1646 will give you 5 of them.

1647 Children have a greater surface to mass ratio in their
1648 lungs and, therefore, they absorb more toxins. Children also
1649 breathe faster. When they breathe faster, they take in more
1650 toxin. They spend more time at home than their older
1651 children counterparts. They have permanent metabolic systems
1652 that may not be able to clear formaldehyde more appropriately

1653 as an adult may. And also formaldehyde is a relatively heavy
1654 gas so it is going to live a little bit closer as settled to
1655 the ground closer to where the children breathe, so when you
1656 have a toddler 1-year-old, he is going to get prospectively
1657 more formaldehyde exposure than someone who is obviously
1658 taller.

1659 Moreover, since this chemical is a known carcinogen, it
1660 is a known carcinogen, it is not that we think it is a
1661 carcinogen, maybe it is a carcinogen, no, we know it is a
1662 carcinogen, and the EPA, in fact, no matter that they are
1663 coming out with soon, they right now classify formaldehyde as
1664 B1, a probable human carcinogen. The International Agency
1665 for Research on Cancer classifies formaldehyde as Group 1,
1666 sufficient evidence for carcinogenicity in humans. Now you
1667 can read all types of data and look at all types of reports,
1668 but the point is that we have done a lot of studies in rats.
1669 We know that it is a carcinogen in rats. But guess what?
1670 We are not rats. People are not rats, and we know that--
1671 maybe not all people. Some people are rats. But we know
1672 that it is a big problem, okay, and we know that we don't
1673 have the data to support it.

1674 In business, I run a business as well, it is an if then
1675 statement, if then, then this. But in medicine, we can't be
1676 like that. We have to say if this then maybe this, and if

1677 maybe this causes cancer maybe then we can no longer sell
1678 these things. I have several key findings in here, but the
1679 Centers for Disease Control put out a very concise document.
1680 You guys understand that. You guys have seen it, so I am not
1681 going to go through it, but the whole point to get as much
1682 fresh air as possible. Inappropriate, it is inappropriate.

1683 Now, in summary, I know I have a few seconds left, when
1684 these trailers were constructed the documentary even shows
1685 someone who built these trailers, big government
1686 specifications, basically for all intents and purposes a
1687 blank check for the industry to produce units without regard
1688 to human health. There can be little doubt that after
1689 receiving government orders any manufacturer, any
1690 manufacturer would speed up production and widen profit
1691 margins because this is America. It is capitalism. It is
1692 what we do. But in a broader sense the extremely high
1693 percentage of trailers found in tests do have excessive
1694 formaldehyde. It is not that people in the Gulf Coast don't
1695 appreciate the fact that they had nothing--I would rather
1696 make sure that someone had a roof over their head as opposed
1697 to having a formaldehyde-laden trailer. But the point is
1698 that we need to do something about it. We need to stop this
1699 problem from being a Gulf Coast problem to a national
1700 problem.

1701 One thing I do want to say before we close is that there
1702 are weak warnings out there, not really appropriate, and we
1703 are trying to get insight today to avoid these huge problems.
1704 When you have two government entities, two, you know, CDC,
1705 EPA, and then FEMA, then GSA, when you have two, or four
1706 organizations that have two diverging concepts, what is going
1707 to happen is that at one point it is going to converge. It
1708 is going to converge. And if people are totally disagreeing
1709 about the level and the safety of these things when it
1710 converges it is going to be a problem for the people in the
1711 trailers, but it is going to be a problem for the people
1712 sitting in these chairs because somebody has got to do
1713 something about it. And they are going to be held to the mat
1714 for us sitting before you right now saying this is a problem
1715 now.

1716 We don't need this to come back in 20 years and say,
1717 look, I want right now people to understand if we do
1718 something about this now people understand it was a dire
1719 need, but if we continue to do it and it is a problem that is
1720 going to be happening over and over again. Common sense in
1721 America, I see it every time I go into an urban area, common
1722 sense has a white line around it like someone killed it
1723 laying right in the middle of the street, and I am sick of
1724 people killing common sense in America just for money and

1725 greed. Thank you.

1726 [The prepared statement of Dr. Hebert follows:]

1727 ***** INSERT 5 *****

|
1728 Mr. {Rush.} The chair now recognizes Mr. Howard for 5
1729 minutes or thereabouts.

|
1730 ^TESTIMONY OF CURTIS HOWARD

1731 } Mr. {Howard.} Thank you. Mr. Chairman, Ranking Member
1732 Whitfield, distinguished members of the subcommittee, my name
1733 is Curtis Howard. I work for the State of Illinois as the
1734 administrator of the Federal Surplus Property Program. I am
1735 an advisor in township government and an auxiliary deputy
1736 sheriff back in my county. I also serve as the current
1737 president of the National Association of States Agencies for
1738 Surplus Property or NASAP. Permit me to take just a moment
1739 to explain who we are. Our association is comprised of all
1740 50 states and U.S. territories. We represent more than
1741 67,000 organizations in your communities. We serve as the
1742 conduit for federal financial assistance in the form of
1743 surplus property and equipment for your public and private
1744 schools, for public libraries, fire, and police departments,
1745 veterans homes, senior centers, homeless shelters, small
1746 minority businesses and so on.

1747 Our states throughout the nation work to transfer
1748 federal personal property to those who need it most. The
1749 Federal Surplus Property Program exists because Congress
1750 wisely understood decades ago that the highest and best use
1751 of federal surplus property is reutilization. Federal

1752 agencies do now, and always will, continue to have preference
1753 on reutilization of federal equipment before our program, but
1754 when those needs are met the next best use of surplus
1755 property should be to transfer or donate it back to the
1756 states across the nation, place it back into service in our
1757 communities.

1758 Congress believed that this was indeed the best practice
1759 when it created the Property Act in 1949. At times, our
1760 federal agencies appear to possess the knowledge and display
1761 the characteristics that make them good stewards of the
1762 public's property. Supporting creation of the 2006 amendment
1763 that allowed the donation of these FEMA units to the state is
1764 a good example. In 2006, FEMA and GSA stood tall with our
1765 association and the Manufactured Housing Association
1766 recognizing that reutilization of federal properties such as
1767 these trailers and mobile homes could maximize the useful
1768 life of taxpayer-funded assets.

1769 Reutilization, transfer, and donation always shall be
1770 the first and best use of federal excess and surplus
1771 property. The state agencies that comprise NASAP have placed
1772 nearly 6,500 travel trailers and mobile homes into our
1773 communities more than \$117 million in federal financial
1774 assistance. During 2007 and 2008 because of the ingenuity of
1775 our states and communities they were reutilized, not as

1776 temporary housing but as mobile command units for our police
1777 and fire departments, as portable offices for road districts,
1778 and heating and cooling centers or first aid stations for
1779 seniors and the general public during community fairs and
1780 festivals or for tool storage for trailers, and the list goes
1781 on.

1782 But somewhere in late 2008 and 2009 during the storm of
1783 media scrutiny in the face of public outcry and class action
1784 lawsuits, FEMA lost sight of the very public policy it
1785 earlier chose to support, and when the court order lifted,
1786 plans to sell the remaining 100,000 were swiftly announced
1787 with little regard for the very excess in donation programs
1788 FEMA earlier pledged to support. Now I do not wish to
1789 mislead the members of this committee. NASAP could not, not
1790 on its best day, ever hope to transfer 100,000 travel
1791 trailers or mobile homes, but we do continue to have
1792 community interest. We do have need. We have donee interest
1793 for several thousand more and we have and continued to this
1794 day conveyed this interest to FEMA and GSA.

1795 The demand remains high. At first, we were told no.
1796 When the pressure to sell hit, NASAP stood with the
1797 Manufactured Housing Association and the Sierra Club in
1798 opposition and against these public sales. NASAP's core
1799 mission is to reutilize every day in every state, and we

1800 place these trailers into the hands of thousands of
1801 organizations such as a small town manager in Missouri who
1802 created the town's first administrative office out of a FEMA
1803 mobile home. And in Texas, the City of Christine, Texas
1804 replaced an old Morgan building used for a town hall with a
1805 FEMA mobile home, and the success stories are endless.

1806 Just yesterday, nine states returned to Brooklyn,
1807 Mississippi for the second time this month to view and select
1808 more travel trailers, and for the second time federal
1809 interest for more than 1,000 travel trailers trump the
1810 state's interest. Federal agencies have priority over our
1811 program to acquire these units, and they should be
1812 reutilized. The federal agencies and their programs took
1813 nearly 430 units. They got the best of the best and our
1814 states got the best of the worst. Nine states were present
1815 on site and by phone and our nine states came home with less
1816 than 60 units yesterday.

1817 Each state's Federal Surplus Program provides
1818 accountability on how federal surplus property is used. GSA
1819 holds our feet to the fire ensuring each state complies with
1820 federal regulations on donated property. But who regulates
1821 what the federal agencies do with these trailers, and why are
1822 they using them and for what purpose? I understand FEMA is
1823 accepting bids to scrap the remaining inventory of trailers

1824 meaning that both the taxpayers and the states lose their
1825 investment. If the states have found the means and the
1826 ingenuity to reutilize this equipment beyond temporary
1827 housing, doesn't it make sense to allow the states to try and
1828 maximize the taxpayer dollar by allowing our program one last
1829 chance before they are destroyed?

1830 If even one more school got to use that trailer for
1831 storing their baseball equipment and it meant the school
1832 district didn't have to rent or spend money for rental
1833 storage, isn't that what our program is all about? In
1834 closing, I urge this committee to take the necessary steps to
1835 ensure that the public interest are put before future sales.
1836 When utilized for purposes other than housing, these units
1837 offer an alternate and safe use within our communities rather
1838 than sale or destruction, and what better use of taxpayer
1839 dollar can there be besides donating back to the very
1840 communities and taxpayers who funded it.

1841 Mr. Chairman, members of the subcommittee, on behalf of
1842 the 67,000 organizations that NASAP represents, I thank you
1843 very much for this opportunity to testify and be heard. I am
1844 happy to answer any questions you may have.

1845 [The prepared statement of Mr. Howard follows:]

1846 ***** INSERT 6 *****

|
1847 Mr. {Rush.} Mr. Chasnoff--I mean, Mr. Howard, the
1848 chairman recognizes himself for 5 minutes. So your
1849 organization upholds the sale?

1850 Mr. {Howard.} Correct.

1851 Mr. {Rush.} And that observation was based on?

1852 Mr. {Howard.} We requested reutilization to be able to
1853 transfer these back to the communities so that they could be
1854 used not as housing, temporary housing, but for the purposes
1855 of mobile command centers, storage units and so forth.

1856 Mr. {Rush.} The question of the relative safety of the
1857 units, did that ever come into consideration?

1858 Mr. {Howard.} Yes, it did. In fact, many of our states
1859 tested the OSHA standards and even any of the states that had
1860 EPA regulations or standards, those were also tested, and I
1861 can tell you that less than 1 percent of those that were
1862 donated to the states had any levels of formaldehyde.

1863 Mr. {Rush.} You indicated that, you used the phrase to
1864 describe this latest sale. When did that sale occur?

1865 Mr. {Howard.} Yesterday it was an opportunity for the
1866 federal agencies and for NASAP, the states, to go back in and
1867 look at these 1,000 travel trailers and mobile homes that are
1868 located in Mississippi.

1869 Mr. {Rush.} These are same trailers and mobile homes

1870 that were part of the 100,000 or so?

1871 Mr. {Howard.} Yes, sir. Actually these were part of
1872 trailers that were already offered for public auction and I
1873 believe the bidder defaulted to GSA, and, therefore, they
1874 came available, and so we asked for one more chance to
1875 reutilize and donate, and so we did get that chance.

1876 Mr. {Rush.} And the outcome of that, you said the
1877 federal government got the best of the best and the states
1878 got the worst of the worst?

1879 Mr. {Howard.} Yes.

1880 Mr. {Rush.} Nine trailer homes out of approximately how
1881 many?

1882 Mr. {Howard.} Actually we had--there were 1,000
1883 trailers offered for screening and viewing of all different
1884 sorts of conditions, and out of those 1,000, 430 were
1885 selected by other federal agencies for reuse and then the
1886 states got to go look and see what was left and those states
1887 selected--9 states selected approximately 58 travel trailers
1888 and mobile homes out of that.

1889 Mr. {Rush.} And none of these, I assume, were used for
1890 housing?

1891 Mr. {Howard.} That is correct, sir. We do not use them
1892 for temporary housing.

1893 Mr. {Rush.} Mr. Chasnoff, what conclusions have you

1894 arrived at that would give this subcommittee and also federal
1895 agencies, what conclusions have you discovered? What are
1896 some of the advice that you would give us based on your
1897 observations?

1898 Mr. {Chasnoff.} Based on my experience, I would say
1899 that government and non-government agencies need to take more
1900 consideration of the cultural background and the personal,
1901 emotional, and psychological components that go into relief
1902 efforts. In the case of Renaissance Village, I was there
1903 when the Stafford Act expired when there were 1,700 of 3,000
1904 people left, and those 1,700 were coming from communities
1905 that really they didn't have savings or mutual funds or
1906 anything to fall back on. And I think one of the biggest
1907 problems that the residents encountered and that I witnessed
1908 was that there was no personal consideration or personal
1909 contact with the residents. I think simply had FEMA come and
1910 met with people face to face and asked are you okay, is there
1911 anything more we can do, and just try to make it more
1912 personal, I think that would have helped.

1913 I also certainly don't think using travel trailers is a
1914 good idea, and I think that in the future there needs to be
1915 more other methods. With the amount of money that went into
1916 mobile homes and travel trailers and the Katrina cottages,
1917 which was another method of housing victims of the storm,

1918 there could have been some other type of temporary
1919 communities built.

1920 Mr. {Rush.} What is the current status of Renaissance
1921 Village now? Your documentary was--how dated is your
1922 documentary?

1923 Mr. {Chasnoff.} We released it last year. Renaissance
1924 Village closed in June of 2008. When it was closed, there
1925 were still about 30 trailers that were still occupied and
1926 FEMA had to take them out, remove them, and then put them
1927 somewhere else, but since then a lot of the residents who
1928 were featured in the film were kind of scattered.

1929 Mr. {Rush.} My time has concluded. Dr. Hebert, what
1930 happens after exposure to high levels of formaldehyde? Do
1931 the conditions that you described, do they end once the
1932 exposure is gone? Are there any ongoing illnesses or
1933 symptoms that one might have?

1934 Dr. {Hebert.} Yeah. Actually it is very interesting.
1935 It seems to be a very bi-modal distribution meaning you have
1936 these initial symptoms but most of the time with patient
1937 populations in New Orleans you address those issues, so if a
1938 patient has asthma and they say they have been in a trailer
1939 then we address those issues, and then we give them medicine
1940 and then they have to take medicine every day to keep the
1941 symptoms away. But then after a while the bi-modal portion

1942 of this, people start having more severe symptoms requiring
1943 more and more medicine, pulmonary issues.

1944 And, you know, the whole carcinogen thing, we don't
1945 know. I haven't had any patients that have come down with a
1946 new cancer or neoplasm since they have been exposed to the
1947 formaldehyde in the trailers. However, the symptoms get
1948 progressively worse. And there are several of my patients,
1949 very personal situations where the patients are removed out
1950 of the FEMA trailer and they continue to have the same
1951 symptoms so it seems like more of a remodeling of people's
1952 lungs as opposed to, you know, you eat peanuts, you get an
1953 allergic reaction. You stop eating peanuts, no more allergic
1954 reaction. That is not the way this works. You are exposed
1955 to formaldehyde. You do damage to your lungs and you have
1956 damage to your lungs for an extended period of time. That is
1957 the way this is playing out, and that is why we need more
1958 studies to see.

1959 Mr. {Rush.} My time has concluded. The chair now
1960 recognizes the ranking member, Mr. Whitfield, for 5 minutes.

1961 Mr. {Whitfield.} Thank you all very much for your
1962 testimony. Mr. Howard, I am not sure I understood you
1963 correctly, but did you say that less than 1 percent of the
1964 trailers that were given to the state and local communities
1965 had an elevation of formaldehyde?

1966 Mr. {Howard.} Yes, sir. Out of the 6,500 travel
1967 trailers that were issued to the states, less than 1 percent
1968 had any type of elevated level.

1969 Mr. {Whitfield.} How do you explain that?

1970 Mr. {Howard.} You know, one of the--I think as we heard
1971 FEMA say earlier today there were some commercial models and
1972 then there were, I believe, some FEMA spec models, which was
1973 sort of a downgraded version of, you know, whether it is a
1974 slide out or if it has 1 bedroom or 2 bedrooms, and things
1975 like that. Many of the states that acquired these during
1976 2007 and 2008 had acquired the commercial style trailers
1977 which were readily available in any market.

1978 Mr. {Whitfield.} What were the total number of people
1979 that actually lived in these trailers provided by FEMA,
1980 whether it was a travel trailer or whatever it was? Does
1981 anyone know the total number of people that lived in it at
1982 one time or the other?

1983 Dr. {Hebert.} I have looked at several different
1984 resources, and we have heard anywhere from 120,000 to 180,000
1985 people. I think that is a very inflated estimate. I think
1986 it is closer to 90,000.

1987 Mr. {Whitfield.} 90,000. Okay. And what would you say
1988 is the longest period of time that any person lived in these
1989 trailers?

1990 Dr. {Hebert.} You know, it is very interesting. When
1991 you drive through the streets of New Orleans or the
1992 Mississippi Gulf Coast people still live in these trailers,
1993 and so but on average I would say about 2 to 3 years on
1994 average people lived in these trailers. And, you know, some
1995 people, to be very honest with you, had no problems while
1996 living in the trailers that they know of, to be very honest.
1997 But the most important part is that we just don't know the
1998 long-term effects.

1999 Mr. {Whitfield.} Right. Has the Centers for Disease
2000 Control or any other health agency tried to do a scientific
2001 analysis and collect data on people who lived in these
2002 trailers?

2003 Dr. {Hebert.} Yes. Centers for Disease Control did a
2004 preliminary study on the short-term effects, and that
2005 information will be out very soon. However, there have been
2006 5 or 6 different vendors that are bidding right now, and I
2007 think our gentleman from FEMA said earlier about the long-
2008 term effect that the study to look at the long-term effect of
2009 formaldehyde in these FEMA trailers has not been awarded yet.
2010 It can be awarded any day now but it has not been awarded yet
2011 so from this point on, you are going to have a lag time to
2012 see exactly what has happened because actually there are
2013 several universities that are looking at doing the study.

2014 Mr. {Whitfield.} I heard him say that it has not been
2015 awarded yet, but back to CDC. Explain to me again what they
2016 are actually doing on this issue.

2017 Dr. {Hebert.} Basically what they are doing is looking
2018 at a sample of patients that have been spread throughout,
2019 and, to be very honest with you, at this point the diaspora
2020 has accepted so many of these patients it is hard to--it is
2021 just like herding cats trying to put this thing back
2022 together. But we do have information on them, and what CDC
2023 is doing is looking at the amount of time that they lived in
2024 the trailer versus the amount of symptoms that you had prior
2025 to you living in the trailer, after you lived in the trailer,
2026 and since you have moved out the symptoms, and that is the
2027 way it is going to be a progression of from beginning to long
2028 term.

2029 Mr. {Whitfield.} Now you indicate that you were only 1
2030 of 2 pediatricians practicing there for a while, and so you
2031 have seen a lot of patients. And of the patients that you
2032 have seen, what percent of those would you say have been
2033 diagnosed with some sort of permanent disability?

2034 Dr. {Hebert.} Disability is a strong word, you know.
2035 Permanent disability, I would say a new disease process such
2036 as asthma, bronchitis, those types of things. Of the people
2037 anecdotally, and I must say anecdotally, of the patients that

2038 I have seen that have lived in the FEMA trailer let us say
2039 for more than a year and a half, I went back before I knew--
2040 when I found out I was coming here. I would say about 20
2041 percent to 30 percent of them are still on some type of
2042 respiratory medicine, 50 to 70 percent of them, and I know it
2043 is a hard one but it was hard for me to find these people to
2044 catch up with them, 50 to 70 percent were on medicine while
2045 they were in the trailers and have since gotten--

2046 Mr. {Whitfield.} But the bottom line, at least at this
2047 point, is that we really do not have any sufficient data on
2048 this issue.

2049 Dr. {Hebert.} On long term. On short term we have a
2050 lot of data.

2051 Mr. {Whitfield.} Okay.

2052 Dr. {Hebert.} On long term, we don't.

2053 Mr. {Whitfield.} Now after Katrina, I remember we had a
2054 hearing and there was some testimony at that time that said
2055 that there were all kinds of toxic elements in play after
2056 that hurricane hit that affected air, soil, and water
2057 quality. So the question becomes can we allocate a certain
2058 responsibility for formaldehyde and then a certain
2059 responsibility for these other issues or not?

2060 Dr. {Hebert.} You know, your point is well taken, and I
2061 will tell you the lead levels in the soil were very high

2062 because the water sat for so long. They had lots of
2063 different things that were going on. It was like a toxic
2064 mess for all practical purposes. However, once these things-
2065 -once the water settled, once things getting back to normal,
2066 certain people got FEMA trailers even a year after the storm
2067 was over because they were still shuffling around and certain
2068 people moved into FEMA trailers that weren't in them before.
2069 I had actually, not a patient, a good friend of mine, who was
2070 a songstress in New Orleans, which you obviously know is a
2071 very important thing to do in New Orleans. And she sang very
2072 well, beautiful. She sang at the Ritz Carlton every
2073 Saturday.

2074 When she moved into the trailer 1 year after Hurricane
2075 Katrina, chronic obstructive pulmonary disease ensued and now
2076 she still at this point--she lived there for a year and a
2077 half, almost 2 years, still at this point she cannot sing.
2078 She still has breathing issues, still on different medicines.
2079 So for somebody like that, she wasn't playing with toys in
2080 the soil. She wasn't drinking the water. She was drinking
2081 only bottled water. So it narrows the field a little bit.
2082 But your point is well taken that there still may have been
2083 things in the air, but at a year and a half, 2 years out, she
2084 is not doing things like normal children would do.

2085 Mr. {Whitfield.} Mr. Chairman, when I started asking

2086 questions, I had 3 minutes, now I have 9 minutes, so I think
2087 my time has expired.

2088 Mr. {Rush.} The chair now recognizes Mr. Scalise for 5
2089 minutes or thereabouts.

2090 Mr. {Scalise.} Thank you, Mr. Chairman. I will start
2091 with Mr. Howard. I think in 2005 your organization wanted
2092 the trailers as donations to be used by local communities.
2093 Do you claim that the trailers are unhealthy or do these
2094 claims about the trailers being unhealthy with the reports we
2095 have gotten on formaldehyde, does that change your initial
2096 interest in using those for people who don't have as many
2097 resources?

2098 Mr. {Howard.} Well, our association represents a
2099 variety of organizations, and I think that because there is
2100 no interest or desire to use these as temporary housing but
2101 to use them as mobile command centers and other types of
2102 assets, you know, we are very comfortable in the fact that
2103 the transfers and the donations that have been made through
2104 the program any levels of formaldehyde that have been
2105 detected by our states are very small and residual, and we
2106 also have been reutilizing and donating trailers that were
2107 from the commercial market and not necessarily any kind of
2108 FEMA specification trailers that were built later on down the
2109 line.

2110 Mr. {Scalise.} Have you all experienced any health
2111 problems?

2112 Mr. {Howard.} No. Speaking for the State of Illinois,
2113 I have had 240 some odd travel trailers transferred out
2114 there, and I got to tell you a lot of them went to police and
2115 fire departments, and they have been using those for the past
2116 several years as mobile command centers, and there is just
2117 absolutely no instance or indication or any notification to
2118 my office that there is a problem.

2119 Mr. {Scalise.} Your testimony states that your
2120 organization has been doing work for over 4 years and asking
2121 the questions and the federal government has not provided the
2122 service and answers that you need. Can you give me--you can
2123 tell me in brief or just give me a list of what types of
2124 questions you have asked the federal government that you have
2125 not got answers to?

2126 Mr. {Howard.} Well, the biggest is our demand for the
2127 donation of federal property, and there obviously is
2128 competing interest obviously if a federal agency has the need
2129 to reutilize property then they very specifically have the
2130 ability to go in and request that and put it back into
2131 service for the federal government. During the interim of
2132 the travel trailers and mobile homes, we consistently asked
2133 for opportunities over the years to be able to screen these

2134 mobile homes at the various locations, whether in Mississippi
2135 or Alabama or elsewhere, identify trailers that would be
2136 acceptable for donation and reuse, and then transport those
2137 back. I think probably our most difficult conflict in trying
2138 to get information out is actually being able to sit at the
2139 table with FEMA or GSA and say here is what is happening in
2140 the trenches. Here is what is going on at the state level,
2141 and here is what we see and here is what our donees are
2142 seeing. We are regulated by GSA, but we don't necessarily
2143 get to have a voice all the time in terms of what is going on
2144 out there.

2145 Mr. {Scalise.} Let us see if we can get some better
2146 answers there, and my time is limited so I apologize because
2147 I want to ask Dr. Hebert some questions. I appreciate the
2148 work that you have done in the community and with the
2149 Recovery School District, and obviously you have done a lot
2150 of research in this area. You have stated that CDC
2151 recommended that FEMA consider necessary assistance to
2152 Louisiana and Mississippi health departments to ensure
2153 adequate follow-up including medical needs for trailer
2154 residents with health and medical concerns resulting from
2155 residents and FEMA supplied travel trailers or mobile homes
2156 and formaldehyde exposure. In your experience, has FEMA been
2157 forthcoming with this assistance in trying to reach that

2158 objective?

2159 Dr. {Hebert.} I personally think that they have made an
2160 effort. Has the effort been valiant? No. Has the effort
2161 made a change in the patient population that is the most
2162 vulnerable? No. But have they reached out? They have. I
2163 think that it is something that it gets touchy-feely at times
2164 because once they reach out, how much do they have to satisfy
2165 the status quo, and I think that they could do a better job
2166 than they have.

2167 Mr. {Scalise.} Okay. What is your feeling on, and I
2168 know your testimony addresses this a little bit, but on this
2169 proposal to sell these trailers in light of the health
2170 concerns? Do you feel like--just give me your take on it.

2171 Dr. {Hebert.} Sure. I don't think that these trailers
2172 should be sold at this time. I think appropriately
2173 remediated, I think with the appropriate data. I would hate
2174 for the federal government to not be able to recoup some of
2175 the money that was graciously given to our area. I think
2176 that is a really good idea, but my job is to take care of
2177 people, and when I am trying to take care of people it really
2178 puts a thorn in my side when what I am trying to do is being
2179 totally negated because of the lack of foresight by a
2180 government organization.

2181 Mr. {Scalise.} I appreciate that. And in your

2182 testimony you also state that any level of formaldehyde
2183 greater than the United States background level is unsafe.
2184 What is the level that is, I guess, safe, and then at what
2185 level do you know these trailers--

2186 Dr. {Hebert.} Yeah. There have been several different
2187 studies done. .7 parts is really kind of where it needed to
2188 be, but the level that FEMA is dealing with now is the .16.
2189 That is way above. That is way above. And so I think that
2190 that is where we need to be because just like with one cancer
2191 cell, it only takes one cancer cell to make cancer. It
2192 doesn't take 25 at one time. I don't have to transport a
2193 tumor and plant it in you for you to get a cancer. So every
2194 body is different, every person is different, so we never
2195 know where that tipping point is going to be to start a
2196 neoplasm or cancer.

2197 Mr. {Scalise.} Thank you. And I know I am just about
2198 out of time. Just one quick question to Mr. Chasnoff. In
2199 your film you got testimony about what happened to people
2200 living in the trailers prior to the sale. Do you have any
2201 information related to the current condition of those
2202 trailers auctioned off?

2203 Mr. {Chasnoff.} I don't.

2204 Mr. {Scalise.} I appreciate it. Thank you, Mr.
2205 Chairman.

2206 Mr. {Rush.} The chair thanks the witnesses for the
2207 contribution of your time and your information. You have
2208 really enlightened us and helped us along the way, and we
2209 will continue to be in touch with you. We want to just ask
2210 you, the record will remain open for a matter of 14 days, and
2211 so there might be members of the subcommittee who want to ask
2212 you some additional questions in writing, and if you would
2213 respond in writing in a reasonable amount of time the
2214 subcommittee would really appreciate it. That said, we thank
2215 you so much again, and thank you for coming to be a part of
2216 this. You performed an invaluable service, so thank you so
2217 very much. With that said, the subcommittee now stands
2218 adjourned.

2219 [Whereupon, at 12:26 p.m., the Subcommittee was
2220 adjourned.]