
STATEMENT OF RICHARD L. SKINNER

INSPECTOR GENERAL

U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

COMMITTEE ON HOMELAND SECURITY

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Chairman Thompson, Ranking Member King, and Members of the Committee:

Thank you for inviting me here today to discuss the Department of Homeland Security's (DHS) progress in federal incident management planning and the Deepwater Horizon oil incident.

The first part of my testimony today will address incident management planning at the federal level, particularly the role of DHS. The information provided is primarily contained in our February 2010 report, "*DHS' Progress in Federal Incident Management Planning*" (OIG-10-58). I will then address what my office is doing with regard to oversight of the response to the Deepwater Horizon oil incident.

Federal Incident Management Planning

The *National Response Framework* (NRF), the guide to how the nation conducts all-hazards response, describes planning as the cornerstone of national preparedness and a critical element to respond to a disaster or emergency. Planning provides three principal benefits: (1) it allows jurisdictions to influence the course of events in an emergency by determining in advance the actions, policies, and processes that will be followed, (2) it guides other preparedness activities, and (3) it contributes to unity of effort by providing a common blueprint for activity in the event of an emergency. Planning is a foundational element of both preparedness and response and thus is an essential homeland security activity.

Incident management planning is vital because it identifies detailed resources, personnel, and assets, and specific roles, responsibilities, and actions for each department and agency responding to an incident or emergency. Integrating and synchronizing federal policies, strategies, and plans among all federal, state, local, private sector, and community efforts is imperative for a coordinated response. This was realized during the examination of the failed federal response to Hurricane Katrina and was underscored in the subsequent White House report. The report concluded, "Insufficient planning, training, and interagency coordination are not problems that began and ended with Hurricane Katrina. The storm demonstrated the need for greater integration and synchronization of preparedness efforts, not only throughout the Federal government, but also with the State and local governments and the private and non-profit sectors as well." The White House report recommended that the Department of Homeland Security lead an interagency effort to develop and resource a deliberative, integrated federal planning and execution system to meet the requirements of the revised *National Response Plan* (now referred to as the *National Response Framework*). It also put in motion a number of government actions meant to improve response planning, including the advancement of credible planning scenarios depicting a range of potential terrorist attacks, natural disasters, and related impacts facing our nation.

The President had kicked off a new framework for planning with the issuance of *Homeland Security Presidential Directive-8 (HSPD-8)* in December 2003. *HSPD-8* directed the DHS Secretary to develop a national domestic all-hazards preparedness goal.

In furtherance of HSPD-8, DHS released the *National Preparedness Guidelines* in September 2007. The *National Preparedness Guidelines* define what it means for the nation to be prepared for all hazards. One of the four critical elements of the *National Preparedness Guidelines* involves National Planning Scenarios, which depict a diverse set of high-consequence threat scenarios of both potential terrorist attacks and natural disasters. According to the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), the Scenarios are “to reflect the relative risk requirements presented by all hazards...in order to provide the foundation for the flexible and adaptive development of target capabilities...to meet the national preparedness goal.”

The President approved *Annex 1 to Homeland Security Presidential Directive–8* in December 2007, formally establishing a standard and comprehensive approach to national planning. It directed the DHS Secretary to lead the effort to develop, in coordination with the heads of federal agencies with a role in homeland security, an Integrated Planning System followed by a series of related planning documents for each national planning scenario.

The Homeland Security Council, in partnership with DHS, other federal departments and agencies, and state, local, tribal, and territorial governments, developed 15 National Planning Scenarios. Collectively, the scenarios are designed to focus contingency planning for homeland security preparedness work at all levels of government and with the private sector. The scenarios form the basis for coordinated federal planning, training, exercises, and grant investments needed to prepare for all types of emergencies. The Homeland Security Council compressed the 15 National Planning Scenarios into 8 key scenario sets in October 2007 to integrate planning for like events and to conduct cross-cutting capability development.

A complete set of plans for each planning scenario includes (1) a strategic guidance statement, (2) a strategic plan, (3) a concept of operations plan, and (4) individual operations plans from every department and agency with responsibilities enumerated in the concept of operations plan. DHS’ Office of Operations Coordination and Planning led the effort to develop strategic guidance statements and strategic plans, while FEMA’s Operational Planning Branch led the development of concept of operation plans. At the time of our fieldwork, the development of federal incident management plans was progressing, but a full set of plans had not yet been completed for any single scenario. Thus far, five of the eight key scenario sets have approved strategic guidance statements, while four have approved strategic plans. One concept of operations plan has been approved by the DHS Secretary.

DHS and FEMA have faced challenges leading the effort to develop incident management plans. There is a diverse group of interagency planners, subject matter experts, and contractors that assist DHS and FEMA with planning. However, according to DHS officials, there are a limited number of planners available in federal agencies, and this has presented a challenge with developing incident management plans. Additionally, because of aggressive deadlines to complete some of the incident management plans, planners were required to work on multiple plans at the same time, and they often had to

choose between incident management planning meetings that were scheduled concurrently. According to DHS officials, efforts are ongoing to address the shortage of federal planners to assist with developing incident management plans.

As I said before, DHS and FEMA were making progress on the National Planning Scenarios; however, in July 2009, the White House National Security Staff (NSS) began a review of *HSPD-8* and temporarily put on hold efforts to complete the remaining plans.

This is not to say that planning is not ongoing at federal agencies outside of this framework. Federal departments and agencies have long been involved in contingency planning for their own personnel and mission essential functions. The bigger challenge is when an incident involves multiple agencies, whose efforts must be integrated for a successful response. The *Deepwater Horizon* incident provided our most recent example of this challenge.

No less than a dozen federal departments and agencies were involved in the *Deepwater Horizon* response effort. Primary players included the Department of Homeland Security and Coast Guard; the Department of the Interior; and the Environmental Protection Agency. The response also included the Department of Defense; the Department of Labor; the National Oceanic and Atmospheric Administration; the Small Business Administration; the Fish and Wildlife Service; the National Park Service; and the National Institute for Occupational Safety and Health.

The Clean Water Act, as amended by the Oil Pollution Act of 1990, is the primary federal statute governing the federal response to oil spills. The act authorized the President to develop the *National Oil and Hazardous Substances Pollution Contingency Plan*, more commonly called the *National Contingency Plan* (NCP). The National Contingency Plan is the federal government's blueprint for responding to oil spills and hazardous substance releases and establishes the National Response Team and its roles and responsibilities. It was under this framework that DHS and the Coast Guard led the federal response to the *Deepwater Horizon* oil spill. Although the NCP is the operative framework for oil spill response, other frameworks and authorities may play a role in the *Deepwater Horizon* spill response. For example, there are also provisions for responding to oil spills in the Emergency Support Function-10 (ESF-10) annex to the National Response Framework. I'll briefly use this to illustrate the complexity and challenges of interagency planning.

The Emergency Support Functions provide the structure for coordinating federal interagency support for a federal response to an incident. They are mechanisms for grouping functions most frequently used to provide federal support to states and federal-to-federal support, both for declared disasters and emergencies under the Stafford Act and for non-Stafford Act incidents. ESF-10 is the Oil and Hazardous Materials Response Annex to the NRF. The ESF-10 Coordinating Agency is the Environmental Protection Agency (EPA). Primary agencies are EPA and the Department of Homeland Security/U.S. Coast Guard. There are 13 support agencies, the Departments of Agriculture, Commerce, Defense, Energy, Health and Human Services, Homeland

Security, Interior, Justice, Labor, State, and Transportation, and the General Services Administration, and Nuclear Regulatory Commission, as well as numerous sub-agencies. It is vital that these agencies coordinate their planning efforts and provide a unified response, but authorities, funding and personnel reside in the individual agencies. Bringing all of this together under one federal umbrella continues to be a challenge.

It would be premature for me to comment on the actual response effort. My office began planning oversight work immediately, but we did not want to deploy staff that might in any way disrupt the response effort. Having said that, we have initiated three audits, and we plan to initiate a fourth during Fiscal Year 2011.

One ongoing audit is an evaluation of Coast Guard's Internal Controls for Identifying Costs Associated with the *Deepwater Horizon* Oil Incident. The Coast Guard's response to this incident imposed extraordinary costs on the service. In oil spill events, the Coast Guard must recover costs from the "responsible party" (in this case, British Petroleum, or BP). Our audit will determine whether the Coast Guard has adequate policies, procedures, and internal controls in place to capture all direct and indirect federal costs associated with the *Deepwater Horizon* Oil Incident.

The two other ongoing audits are reviewing various aspects of Coast Guard's Marine Safety Program. One audit is reviewing Coast Guard's Marine Safety Performance Plan. This plan includes six initiatives focused on increasing the competency of its marine safety workforce, delivering improved service to the marine industry, improving management practices, and increasing the safety of recreational boats, towing vessels, and fishing vessels. Our audit will determine whether improvements to the Plan are needed for it to be an effective tool for managing the Marine Safety Program. The other audit is looking at whether Coast Guard has the capabilities and resources to conduct safety inspections on domestic and foreign-flagged offshore vessels, including Marine Offshore Drilling Units such as the *Deepwater Horizon*. The Coast Guard oversees 20,000 U.S. and foreign-flagged vessels by conducting 80,000 inspections annually and 14,000 investigations. The outcomes of these inspections often serve as a basis for improving safety through regulatory and policy changes.

The audit planned for FY 2011 will look into the effectiveness of the Unified Command response in relation to the *Deepwater Horizon* Incident. Under the provisions of *Homeland Security Presidential Directive-5 (HSPD-5), Management of Domestic Incidents*, all levels of government must be capable of working together to efficiently and effectively manage a domestic incident. According to *HSPD-5*, the government treats crisis management and consequence management as a single, integrated function. The Unified Command structure provides shared management of the incident among federal, state, and private sectors - the Federal On-Scene Commander, the State On-Scene Commander, and the Responsible Party, respectively. The work we will conduct is designed to determine the efficacy of the Unified Command in its internal and external communications to stakeholders, management, and coordination of resources, in response to the *Deepwater Horizon* oil spill. We will also look at the quality of the National

Contingency Plan as it was implemented during this disaster. I look forward to sharing the results of this work with the committee.

Mr. Chairman, this concludes my prepared remarks. I welcome any questions that you or the Members may have. Thank you.