Opening Statement
Chairman Tom Davis
Committee on Government Reform
"Can Federal Agencies Function in the Wake of a Disaster? A Status Report on Federal Agencies' Continuity of Operations Plans"
April 22, 2004

Good morning. A quorum being present, the Committee on Government Reform will come to order. I would like to welcome everyone to today's hearing on the status of the Federal government's continuity of operations plans. Today on the House floor, we are considering legislation laying out the framework for how Congress would continue operating in the event of a catastrophe. That is important, but let's be honest: the real, tangible, day-to-day work of the Federal government doesn't happen here. It happens at agencies spread across our nation, and ensuring their continued operations in the wake of a devastating tragedy should be considered every bit as important.

Continuity of Federal government operations planning became essential during the Cold War to protect the continuity of government in the event of a nuclear attack. COOP planning has attracted renewed significance after the terrorist attacks of September 11. Through a Presidential Decision Directive and a Federal Preparedness Circular, Federal agencies are required to develop viable COOP plans for ensuring the continuity of essential operations in emergency situations. Although it is a classified document, PDD 67 reportedly also designates the Federal Emergency Management Agency (FEMA) as the executive agent for formulating guidance on executive departments' COOP plans, and coordinating and assessing their capabilities. In July 1999, FEMA issued Federal Preparedness Circular (FPC) 65, which confirms its coordinating agency role, contains criteria for agencies to develop their plans, and designates timelines for submission of agency plans.

Because of the critical nature of the ongoing threat of emergencies, including terrorist attacks, severe weather, and individual building emergencies, this Committee requested the General Accounting Office (GAO) to evaluate contingency plans of several Federal agencies and review FEMA's oversight of those agencies' COOP plans. In February 2004, GAO issued a report that found a wide variance of essential functions identified by individual agencies. GAO attributed this lack of uniformity to several factors:

- lack of specificity of criteria to identify essential functions in FPC 65;
- lack of review by FEMA of essential functions during assessment of COOP planning; and
- lack of testing or exercises by FEMA to confirm the identification of essential functions by agencies.

To remedy these shortcomings, GAO recommends that the Secretary of DHS direct the Under Secretary for Emergency Preparedness and Response to ensure that agencies develop COOP plans by May 1, 2004 and correct deficiencies in individual COOP plans. In addition, GAO recommends that the Under Secretary be directed to conduct assessments of COOP plans that include independent verification of agency information, agencies' essential functions and their interdependencies with other activities.

The Committee is concerned about the seeming lack of progress we have made in the area of Federal continuity of operations. If 9-11was the wake up call, then we haven't fully heeded the message when it comes to COOP. Although some progress has been made, and I commend Under Secretary Brown for his leadership on this, we still have a ways to go. We must do everything possible to address the COOP inconsistencies that exist across the board. Identifying and prioritizing essential functions with 100% compliance and accuracy is a must. Even if agencies can accomplish this, they still must be able to identify their key staffing requirements, lines of succession, resources

needed and what mission-critical systems and data must be protected and, in many cases, be redundant.

Continuity of operations means more than keeping your web site up and running. What's really called for is a holistic approach, one that factors in people, places and things. What's really needed is agility.

Because FEMA's role in COOP oversight is key for agency success, the Committee will hear FEMA's assessment of the individual agencies' COOP plans. The Committee will also assess FEMA's efforts to ensure that the COOP directives are carried out by each agency. This will include steps FEMA is taking to assess each of the executive agencies' COOP plans, what interaction FEMA has had and plans to have with those agencies about deficiencies in those plans, what steps FEMA will take to ensure agency compliance, and FEMA's assessment of the adequacy of Federal Preparedness Circular 65 and steps it is taking to overcome any deficiencies. The Committee will also hear from GAO about its assessment of COOP planning and its recommendations for improvement.

Finally, the Committee has asked GAO to continue to monitor federal COOP planning to ensure that agencies are in compliance with the latest executive and congressional guidance. The Committee expects to get an annual "scorecard" from GAO outlining how agencies are performing with regard to the many facets of COOP. This is an important issue and we will be very aggressive on our oversight.

We have three impressive witnesses before us to help us understand the current and future state of Federal continuity of operations planning, the expected problems and what we can look forward to in ways of improvements. First we will hear from the General Accounting Office, followed by the Department of Homeland Security, and finally we will hear from AT&T, which has a mature COOP plan in place.

I would like to thank all of our witnesses for appearing before the Committee, and I look forward to their testimony. I now yield to the Ranking Member, Mr. Waxman, for his opening statement.