

STATEMENT  
OF  
DAVID J. KAUFMAN  
ASSOCIATE ADMINISTRATOR  
POLICY, PROGRAM ANALYSIS AND INTERNATIONAL AFFAIRS

FEDERAL EMERGENCY MANAGEMENT AGENCY  
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE  
THE

HOUSE COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON MONETARY POLICY AND TRADE  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.

**“REAUTHORIZING THE DEFENSE PRODUCTION ACT”**

Submitted  
By

Federal Emergency Management Agency  
500 C Street, S.W.  
Washington, D.C. 20472

MAY 8, 2013

Good morning, Mr. Chairman and Members of the Subcommittee, I am David J. Kaufman, Associate Administrator for Policy, Program Analysis and International Affairs at the Federal Emergency Management Agency (FEMA).

The DPA is the primary source of Presidential authorities to expedite supply of materials and services needed for both military and civil emergency preparedness and response. Expiration of this authority would seriously hinder our ability to prepare for and respond to natural disasters and other threats including catastrophic disasters such as an earthquake, a hurricane or an incident involving a weapon of mass destruction.

The use of DPA authorities has evolved over time. While these authorities are still used, primarily, to support Department of Defense programs, they are also used, today, to support disaster preparedness and response, critical infrastructure protection and restoration that include physical or cyber-based assets, and homeland security activities.

Title I of the DPA authorizes the priority treatment of contracts and orders. The priority rating is rarely invoked by the civil departments but the availability of this authority is essential to ensure timely delivery of needed resources.

The priorities authority has gained increased importance for homeland security purposes. As with rated orders in support of military programs, rated orders for homeland security programs are used to ensure on-time performance when delays could place lives and property at greater risk. Ongoing or recent use of the priorities authority for various homeland security purposes include:

- The U.S. Army Corps of Engineers program to repair and restore floodwalls and levees after Hurricane Katrina;
- Aircraft for U.S. Customs and Border Protection; and
- The emergency preparedness and critical infrastructure protection activities of the Architect of the Capitol.

The priorities authority is also used, on an “as needed basis,” to protect and restore critical infrastructure operations and to respond to and recover from domestic emergencies and disasters. For example, priorities authority has been used to ensure timely delivery of:

- Thermal imaging camera systems for perimeter security at both airport and seaport facilities in the Boston region;
- Equipment to enable the rapid restoration of rail service in the Gulf Coast region after Hurricane Katrina; and
- Components for weather satellites to help detect, monitor, and track severe weather for early warning to protect lives and property.

While use of the priorities authority for homeland security purposes is far more limited than use for military programs, it is still important. The DPA priorities authority is needed to support response to disasters, rapid restoration of critical infrastructure operations, and timely

development of emergency preparedness and critical infrastructure protection measures to protect lives and property.

Along with other FEMA responsibilities to coordinate Federal emergency preparedness and response activities, FEMA provides Government-wide coordination and guidance for use of DPA authorities on behalf of the Secretary of Homeland Security, pursuant to Executive Order (E.O.) 13603. E.O. 13603, which was signed in 2012, delegates Presidential DPA authorities and functions to the heads of various Federal departments and agencies and replaced E.O. 12919 issued in 1994.

To date, use of the priorities and allocations authorities has been limited, primarily, to resources falling under the jurisdiction of the Department of Commerce (DOC). These include most manufactured goods and services. DOC has delegated authority to the Department Homeland Security (DHS) to place priority ratings on contracts and orders to support emergency requirements, critical infrastructure protection and restoration, and homeland security programs.

FEMA is continuing to work with the six departments that have been delegated priorities and allocations authority by the President to ensure effective use of this authority. We will continue to work with the appropriate Federal departments and agencies to ensure the proper implementation of DPA authorities and continue to incorporate the DPA in planning for emergencies requiring timely delivery of resources, as a tool in the toolbox to prepare for, respond to, and recover from disasters.

Without the DPA, a critical statutory authority to ensure timely procurement of materials and services to protect and restore critical infrastructure operations – whether they are key transportation capabilities, floodwalls or levees – would be lost. Without the DPA, DHS and other Federal agencies would have no authority to prioritize contracts for resources needed to respond to and recover from a natural disaster or act of terrorism. In closing, I urge that Congress reauthorize the DPA authorities that remain critical to our homeland security.

Thank you Chairman Campbell for the opportunity to appear before you today, and I would be pleased to answer any questions you or other members of the Subcommittee may have.