



Comments of
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on behalf of
The American Hotel & Lodging Association
Before the
Committee on House Financial Services –
Subcommittee on Housing and Community Opportunity
Hearing on Housing Options in the Aftermath of Hurricanes Katrina and Rita
January 13, 2006

On behalf of the American Hotel & Lodging Association (AH&LA), I appreciate the opportunity to testify before the Subcommittee on Housing and Community Opportunity of the Committee on House Financial Services. AH&LA is a 96-year-old dual membership association of state and city partner lodging associations throughout the United States with some 10,000 members nationwide, representing more than 1.3 million guest rooms. Headquartered in Washington, D.C., it provides members with advocacy on Capitol Hill, public relations and image management, education, research and information, and other services to ensure a positive business climate for the U.S. lodging industry. Individual state associations provide representation at the state level and offer many additional cost-saving benefits.

AH&LA and the lodging industry understands the enormity of the unprecedented devastation caused by Hurricanes Katrina and Rita. Many of our own employees were displaced, many of our businesses were partially or completely destroyed, and our industry faces a long road back to normalcy in the region which will take years. AH&LA well understands the extraordinary demands placed on FEMA due to these hurricanes and applauds its many successes. However, improvements must be implemented if our nation is to better respond to future events.

Having said that, I am want to bring to your attention the involvement of the lodging industry in the months after the tragedy of Hurricane Katrina and the past and present concerns we have compiled on behalf of the industry. In the chaotic week following the hurricane, AH&LA was tasked by the Department of Homeland Security to secure 250,000 guest rooms in case they were needed for a proposed housing plan in which the room blocks would be leased by the Federal Emergency Management Agency (FEMA) for a period of no less than six months with the possibility of extension up to 18 months.

AH&LA disseminated the message to our members immediately and within the period of six weeks had collected approximately 190,000 guest rooms. The tremendous response from hoteliers across the country is a testament to the generosity of our industry. Over forty-five hundred properties had applied to participate – willing to lease large blocks of rooms, and in some cases, entire hotels, to FEMA for the housing of hurricane evacuees.

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Available rooms were forwarded via email in spreadsheets by AH&LA to FEMA on a daily basis beginning September 7, 2005 until the process was finally discontinued on October 17, 2005 at the request of FEMA, who informed AH&LA that they were no longer in need of the information.

While FEMA made clear that their policy was "fluid" and could not guarantee that any of the rooms we had collected would be used for the housing program, very little other information was provided to us. The Department of Homeland Security confirmed each day that they had received our list of available rooms, but could not confirm what was happening to the lists each day and whether or not they were being reviewed by the staff at FEMA.

As time went by and evacuees were placed into hotels from shelters and other forms of temporary housing, no word came from FEMA regarding when the housing program would end, who would be dispatched to support the hotel properties, or what would happen if evacuees had nowhere else to go when the program terminated. FEMA was unable to provide a comprehensive list of all hotels participating in the program and as a result, AH&LA was unable to effectively communicate to the participating properties.

Having submitted a list of concerns on behalf of the lodging industry (included for your reference) on December 1, 2005 to FEMA, we still await a response. To date, many evacuees remain in hotels with little incentive to leave and nowhere to go, placing our members in extremely precarious public relations positions. It is disconcerting that most of the information we have passed on to our members throughout the course of the housing program is taken from the newspaper and not received from FEMA itself.

Given that the industry has been so eager to help in this tragic situation, we feel that more should have been done by FEMA to foster communication, alleviate fears and facilitate the housing program that has provided shelter and meals for so many people during this difficult time. Although the scale of this natural disaster in the Gulf was unprecedented, better preparation and communication could have greatly facilitated the process of finding housing for displaced residents.

The American Hotel & Lodging Association and its members remain ready and willing to aid in this effort. We have willingly responded to this tragedy and stand ready to help prepare for future response. It is our hope that through this process of discussion, logistical mistakes can be avoided in the future and we will be better able to work with government agencies for the common good of people affected by disasters such as this.

Hotel Industry Concerns (submitted to FEMA on Dec. 1, 2005)

- If, on December 16, 2005, evacuees remain in hotel rooms with no other conceivable housing options, what support will be provided by FEMA to the hotels?
- The deadline of January 7, 2006 set for the 10 states housing the most evacuees has to be requested by the Governor of each of the 10 states – how will the hotels be notified that each respective state has been approved for the extension?
- Does FEMA retain primary control over this program, or is it now being handled primarily on a state level?
- Who is the point person at FEMA for hotels to contact with concerns?
- Who are the FEMA contacts in the field – regional points of contact for hotels to contact with concerns?
- Prior to the deadline extension on November 22, 2005, lodging personnel were allegedly told by FEMA in New Orleans that lodging is not deemed a “critical industry” and thus have had difficulty securing temporary housing trailers to rebuild the industry. Has this classification of lodging changed since then?
- It has been widely reported that FEMA has been sending literature and manpower out to hotels to assist in this transition. Some properties have said they have not seen this response. Please explain.