



DRCA CALL WITH ERIC HEIGHBERGER, FEMA CHIEF OF STAFF

JULY 2, 2020

DRCA MEMBERS IN ATTENDANCE:

- Dan Craig, President Tidal Basin & Chairman DRCA
- Casey Long, Managing Director DRCA
- Lisa Miller, President of Lisa Miller & Associates & DRCA Policy Advisor
- Billy Sullivan, President SLS
- Bob Caudle, Director Government Sales United Rentals
- John Buri, Director Post-Disaster Programs Tetra Tech
- Al McLaran, President Southern DR
- Tom Lewis, President North America WSP (formerly Louis Berger)
- Ed Noonan, Director Government Affairs United Rental
- Chip Patterson, VP Operations Southern Disaster Recovery, LLC
- Will Rachal, Director Lemoine Disaster Recovery LLC
- John Sullivan, President DRC
- Barrett Holmes, Regional Manager CrowderGulf
- Tyson Hackenberg, Senior Vice President Excel USA

FEMA ATTENDANCE:

- Eric Heighberger, FEMA Chief of Staff

Agenda:

10:00-10:10am	COVID-19 Update & Hurricane Preparedness Update <ul style="list-style-type: none">- Tyson Hackenberg- John Buri- Bob Caudle- Tom Lewis
10:10-10:20am	DRCA White Paper Presentation on Debris Management, Presented by John Sullivan
10:20-10:30am	DRCA White Paper Presentation on Disaster Housing, Presented by Billy Sullivan

Minutes from Call:

Prior to the call, Casey discussed the call's goals: to update Eric on issues, challenges, problems around COVID-19, Hurricane Preparedness, Debris Management and Disaster Housing and get some support from the "8th floor" at FEMA-HQ.

Casey provided background on FEMA's Chief of Staff Eric Heighberger. Eric has experience working in both the public and private sector having worked for Congress and at PWC and was the first Political Appointee to FEMA under the new Administration.

Call commenced at 10:00 am

Casey opened the call by sharing the three topics to be discussed and introduced the members on the call.

10:00-10:10am: COVID-19 Update & Hurricane Preparedness (Tyson Hackenberg, John Buri, Bob Caudle & Tom Lewis)

Excel: Tyson Hackenberg shared that there is a collection of emergency management firms engaged in COVID response. Excel has supported the COVID mission in Louisiana. He noted that Washington, DC, has been a huge help to all of us. There are 3 areas for discussion:

- 1- **Mixed Messaging:** The mix of political decision making from various levels – we are running into some roadblocks with decisions that often are made at the local level and then senior leadership challenges those.
- 2- **Use of CRF Funds:** There is trepidation to use Coronavirus Relief Fund (CRF) money in light of shrinking state revenues. Folks are worried on how that will help/affect with preparedness during this hurricane season.
- 3- **Uncertainty re: Housing in COVID environment:** We are watching and “there is the too much going on.” Yet, we are observing about housing for hotels for sheltering, but we are uncertain how this will co-exist with COVID.

Tetra Tech: John Buri said that from Tetra Tech’s perspective they are trying to work with states and local governments with the CRF regulations. Some of the smaller communities that don’t meet the 500k threshold are struggling and there is a “stalemate” about these funds. Communities are looking to FEMA for guidance and we don’t know how to coordinate CRF benefits with other funding sources. Also, we don’t want to duplicate benefits because of the potential claw backs post-audit. Communities want to cover their costs but want to see how to coordinate CRF with FEMA’s cost coverage. Folks are starved for information and the rumor mill is thriving. FAQ’s are much needed, and we have concerns about how the different funding sources will affect the expenses.

United Rentals - Bob Caudle stressed that communities are not aware they can rent equipment instead of buying it. UR does its best to get the word out and he wanted to stress that there are contracts available that can save time and effort. There is a good value proposition on rent vs buy in the heavy equipment space. We would like to follow up on ways to demonstrate this value proposition.

WSP: Tom Lewis described WSP as being made up of large acquisitions for the last 8 years or so. He advocated for FEMA’s agility and innovativeness. Tom gave an example of touchless inspections where we can’t go into a home with COVID now and his example was that while FEMA is working on logistics for a variety of instances, we would want to help. Pre-positioning of contracts and assets can help in managing more effectively and using the innovative technology is needed with this crisis. On the healthcare side, there was a lack of clarity of whose role was what and we are asking that FEMA and other federal agencies be clearer on areas of responsibility. There were RFI’s by USACE, by FEMA, and by the state and local communities and it was a challenge as to who was responsible for what, but for vendor delivery purposes, we needed to know who was doing what. The clearer the better.

10:10-10:20am DRCA White Paper Presentation on Debris Management, Presented by John Sullivan

DRC: John Sullivan began by explaining that one of the things we see in the debris industry is that there is a fear of FEMA whether it be the small jurisdiction or some of the larger ones. Often, the communities don’t know what the right answer is. FEMA has given guidance for cooperative purchasing agreements (CPA’s), but I could certainly be clearer than in the past. One of things we are wrestling with is letting the smaller counties and states know that low bid isn’t always the best choice. We believe in the “best value”...with Hurricanes Irma, Harvey and Maria where the contractors were stretched so thin, these triple storms hitting back-to-back-to-back really highlighted why qualified debris contractors are more important than ever. If the contractors don’t show up, then they should be held accountable. We would ask FEMA to consider issuing guidance to the states which would allow the states to issue guidance to their communities. John said, “If you pay \$10 a cubic yard and that was the lowest bid you can get for 6 months...wouldn’t it make sense to pay \$11 a cubic yard and pick it up in 2 months”? We would like to ask FEMA to look at this white paper and we work as a team to have FEMA develop best practices for procurement highlighting that best value vs best price...that would be best to get the states to communicate this to local communities.

Eric Heighberger: Happy to do that John.

John went on to say that the latest memos that were distributed in 2017 & 2018 in Florence and Michael were very helpful. We believe that although we are working for a big city like Houston or small city, we believe our client is FEMA.

John Sullivan cont.: We protect *your* money... We take to heart and very seriously that FEMA has rules and it's our job to follow them. States and locals are doing their best to follow rules too. We spend time training etc. and it costs us more money to operate than others so we want those relying on our services and the services of many of the DRCA members to understand that best price doesn't always mean best value.

Casey said to Eric: We have great relationships at FEMA with Kevin Turi in Recovery, Damon Penn in Response and Jeff Dorko in Logistics, but would love your take on the best way to approach implementing these recommendations and socializing them with FEMA's leadership team Eric.

10:20-10:30am DRCA White Paper Presentation on Disaster Housing, Presented by Billy Sullivan

SLS: Billy Sullivan opened with thoughts about short-term and long-term housing. Many of us have been involved in immediate housing needs dating back to Katrina. The STEP program was started in Sandy. As we enter the hurricane season, one of the challenges of 2020 storm season is the October 2019 FEMA directive re: STEP that cancelled the program. Eric acknowledged the memo. We understand why that was cancelled because over the years, the recovery styles in the STEP program were disjointed. Communities had a different take on the pilot program, and it didn't roll out as it should have. In some cases, it did. In Harvey, Irma & Maria where the STEP program that was supposed to be "immediate," it didn't roll out for months. So, we understand FEMA pausing the program. Our white paper gives an overview of what we recommend. We are encouraging that FEMA grant to states and urban areas of say 250k or greater to have the option to utilize a program like STEP upon FEMA's approval. We would ask that FEMA reconsider the cancellation of the STEP program and consider recreating it in a manner with much needed improvements. DRCA has made some suggestions in our white paper, but most importantly, we need to provide clear guidelines to the states on specifics like:

- Can a vendor allow to sheetrock or not?
- Can the vendor rewire the homes?
- What parameters to make livable the main living area?

If FEMA came up with a defined scope for sustaining these structures just like FEMA does in the debris space with what can and can't be removed, it would provide tremendous constancy and progress to immediate housing needs. In other words, if FEMA can put controls and guidelines around STEP it would bring so much efficiency to STEP for the 2020 season and beyond.

Lastly, back in 2010 and 2011, FEMA did an RFI where it asked industry to come up with innovative solutions so we are hopeful FEMA will repeat that. We think it's time to do that again. Hopefully, FEMA will get helpful ideas from industry in this post COVID world.

Casey to Eric: DRCA's goal is to work with FEMA to improve disaster recovery and although all of our members compete for business on their own individual merits, they participate as members of this association as a group to solve problems and address challenges on behalf of the industry to improve emergency management. DRCA has been at this 12 year now. DRCA members have worked hard to identify opportunities to make improvements in housing and debris. Essentially, we wanted to run these recommendations by you (Eric) on this call to get your advice on the best way to progress the conversation as Billy just stated. Our goal is to leverage the collective experience of this group and advocate for change by making specific actionable recommendations. Eric, do you have any initial thoughts as to how we might propose and approach FEMA's leadership team with these recommendations?

Eric Heighberger addressed the group: Mixed messaging? Not to be flip but "welcome to the club." It is a constant struggle with the messaging on COVID. We at FEMA want to be consistent and we notice the mixed messaging from multiple public officials. COVID and FEMA's response to it have been extraordinarily difficult and complex. A lot of the challenges that you guys as a group are seeing are the same for us as we try to move through a policy issue...it now involves 2 to 5 times more coordination than in the past and everything has to be approved by the highest levels.

The administration is trying to coordinate at a very high level. Decisions made within 500 C street, now have to be coordinated with other agencies.

Eric Heighberger Continued: Using the Treasury guidance as an example here. We spent months to get the FAQ out re: cost share and other issues and I dealt with it every day for 2 months before it came out last week (the week of June 22, 2020). It's a micro example of what we are going through on all the policy issues. The majority of that is that there are multiple sources of funding from the CARES act and it is very difficult as we are trying to be as nimble and agile as we can. A lot of folks on this call saw the COVID operational guidance for hurricane season which clearly explains that we have to do things differently and we are trying to do what we can with the things we can control. The things we could control in the past have changed. We put out guidance on congregate sheltering but other things we can't.

Eric: Regarding these White papers, have you had the ability to sit with Keith Turi and go over them?

Casey: We have a conference call scheduled with Keith Turi on July 14th, but we wanted to have this conversation with you first to update you on our priorities.

Eric Heighberger: Keith is very open to ideas and very good at what he does. If there's anyone that can look at this and find the ability at FEMA to make things work...he is a great place to start. As far as FEMA Public Assistance (PA), we have had an acting person for a while, and we are close to hiring a new director of PA...we should have a permanent one soon.

Eric Heighberger: I was a big fan of STEP and our counsel determined that the step was outside of our authority but I believe 2.0 will happen and I haven't had a chat with folks about what that looks like but will as I'm curious too.

Billy Sullivan: We know revisions are needed (to STEP) and the faster we can respond on STEP the better. Defined rules, defined barriers and a defined program is very much encouraged.

Eric Heighberger: We want to figure out how to provide it.

Casey: Thank you for your time right before the Holiday weekend. We want you to know that DRCA wants to try to eliminate the long line of folks coming to FEMA with the same questions on these types of issues. If there's an opportunity for us to answer questions from the private sector and push out timely, accurate information for FEMA, we'll do that. It's important for the private sector to be educated on FEMA policy as well in our dealings with State and local governments.

Eric Heighberger: This group has always been very polite, and I appreciate that. Happy to connect you with our press folks. If there's something that you want to message... we do that for a lot of folks that get contacted.

Casey: In closing, we follow up with an email outlining next steps from this call. Just wanted to thank you and hope you have a nice Holiday weekend.

Eric Heighberger: Yes, please get back to me.

Meeting Adjourned at 10:43 am