

United States Senate

WASHINGTON, DC 20510

January 8, 2014

W. Craig Fugate
Administrator
Federal Emergency Management Agency
U+S Department of Homeland Security
500 C Street SW
Washington D.C. 20472

Dear Administrator Fugate:

On December 24, 2013, the Iowa Homeland Security and Emergency Management Department submitted an appeal in conjunction with Iowa Lakes Electric Cooperative, Lyon Rural Electric Cooperative, Osceola Electric Cooperative, and Sanborn Electric and Telecommunications Utility regarding FEMA's denial of post-disaster reconstruction of electrical facilities. We ask that these appeals receive all due consideration and that you and your senior leadership team at FEMA headquarters actively engage, especially since similar issues and appeals are highly likely to arise in other states and FEMA regions.

FEMA-4114-DR-IA was declared a major disaster by the President in response to severe winter storms which occurred from April 9-13, 2013. This severe weather caused millions of dollars of damage to electrical utility lines in northwest Iowa. Project worksheets were written for emergency and permanent repairs for work under Category "B" and Category "F" respectively, including reconductoring projects for at least one utility (Rock Rapids Municipal). However, the Project Worksheets that were prepared under the guidelines in FEMA's Disaster Assistance Program Fact Sheet 9580.6, *Electric Utility Repair (Public and Private Nonprofit)* to address replacement of the damaged conductors for the aforementioned applicants were denied the disaster assistance based on a series of concerns related to "comprehensive laboratory testing."

We have heard many concerns about FEMA's decision related to the rural electric cooperatives and FEMA's current interpretation of disaster assistance policy 9580.6, including:

- Concerns that FEMA has changed policy without adequate notification and public input in accordance with Section 325 of the Stafford Act, or changed policy interpretation in a way that contradicts previous interpretation, industry understanding, previous practice, and industry best practices.
- Concerns that proposed pre-disaster laboratory testing requirements would be detrimental to system integrity and could significantly impact the rates which citizens in rural areas pay for electricity.
- Concerns that previous pre-disaster documentation standards have been ignored and that the Iowa rural electric cooperatives are being held to a higher standard that has not been previously communicated.

- Concerns that Iowa's electric cooperatives and eligible non-profit utilities are being held to a different standard for pre- and post-disaster documentation than those of other FEMA Regions.

Concerns have been raised that FEMA may have violated both the terms and spirit of Section 325 of the Stafford Act in these cases. Congress enacted Section 325 to prevent just this sort of situation from occurring where FEMA appears to have changed its policy to the detriment of the RECs without due notice and opportunity for them to comment on the changes. Particularly the requirement that the RECs must have performed predisaster laboratory testing to be eligible for reimbursement imposes an impossible burden on the RECs when FEMA first articulates this dramatic change to existing policy after the disaster has occurred.

We expect you to carefully review and consider all of the information provided in the appeals. Thank you for your time and attention to this important matter.

Sincerely,



Senator Chuck Grassley



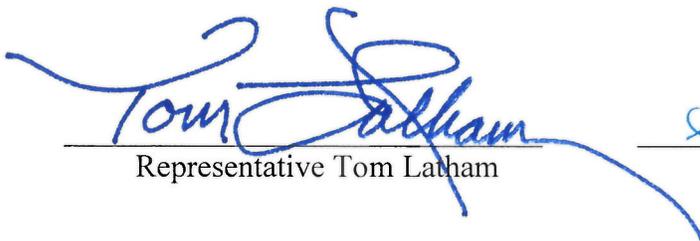
Senator Tom Harkin



Representative Bruce Braley



Representative Dave Loebsack



Representative Tom Latham



Representative Steve King

cc: Beth Freeman, Regional Director, FEMA Region VII
John Padalino, Administrator, Rural Utilities Service, USDA
Deborah Ingram, Assistant Administrator, Recovery, FEMA