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ONE HUNDRED ELEVENTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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July 6, 2010

The Honorable Martha N. Johnson  
Administrator  
U.S. General Services Administration  
1800 F Street, NW  
Washington, DC 20405

The Honorable W. Craig Fugate  
Administrator  
Federal Emergency Management Agency  
400 C Street, SW  
Washington, DC 20472

Dear Administrators Johnson and Fugate,

On June 30, 2010, The New York Times reported that the formaldehyde-contaminated trailers originally provided by FEMA as temporary housing to victims of Hurricane Katrina are once again being used as housing in the wake of another Gulf Coast disaster.<sup>1</sup> We are writing to learn how and why this occurred.

In April, the Subcommittee on Commerce, Trade, and Consumer Protection held a hearing concerning the sale of over 100,000 Temporary Housing Units, originally procured by the Federal Emergency Management Agency (FEMA) to provide housing for victims displaced by Hurricane Katrina, by the General Services Administration (GSA).<sup>2</sup> At the hearing, representatives from FEMA and GSA assured the Subcommittee that "rigorous measures" were being implemented to ensure that the trailers would not be used for housing. In particular, purchasers of the trailers were required to certify that they understood the trailers may contain elevated levels of formaldehyde, that the trailers would not be used for housing

<sup>1</sup> *Banned Trailers Return for Latest Gulf Disaster*, The New York Times (June 30, 2010).

<sup>2</sup> House Subcommittee on Commerce, Trade, and Consumer Protection, *Public Sales of Hurricane Katrina/Rita FEMA Trailers: Are they Safe or Environmental Time Bombs?* 111<sup>th</sup> Cong. (Apr. 28, 2010).

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and that they would pass on these notices to any subsequent buyers or recipients. Additionally, each sales listing included links to three brochures jointly developed by FEMA, the Centers for Disease Control, the Environmental Protection Agency, and the Department of Health and Human Services providing information on indoor air quality and the presence of formaldehyde in mobile homes. Finally, stickers were placed on trailer windows warning purchasers of potentially elevated formaldehyde levels and stating that the trailers were not to be used for housing.

Despite these precautions, it appears that these toxic trailers are once again being used for housing in the Gulf Coast. The need for cheap housing to accommodate the influx of disaster relief workers involved in the clean up of the Deepwater Horizon oil spill appears to have made the trailers, which were sold for a fraction of what FEMA originally paid to procure them, an attractive option for contractors. The Times article reported that many buyers said they were unaware of any prohibition of using the trailers for housing.

Several months ago, FEMA and GSA suggested in briefings to Committee staff that they believed the units no longer contained dangerous levels of formaldehyde, since significant time had passed since their manufacture and any formaldehyde would have somehow dissipated by now. But since the agencies had failed to test the actual units, this claim could not be verified. Now, a different story is emerging. The *New York Times* article cited at least one instance of a unit “reeking” of formaldehyde.<sup>4</sup> Such reports appear to directly contradict the assumptions offered by FEMA and GSA as justification for the public sale of these units.

When the Subcommittee called the April hearing, we had no idea – none of us did – how tragically the Gulf oil spill would unfold and how far its harm would extend. But even then, it was easy to anticipate what we are now seeing – buyers using these trailers for housing, and doing so with no warning or understanding of the serious health risks associated with formaldehyde.

It leads to a very simple question that FEMA and GSA have yet to answer: If we all saw this coming, why did it happen anyway?

Please respond to the following questions:

1. Why did FEMA decide not to test the trailers, or at least a representative sample of the trailers, to ensure that they did not contain hazardous levels of formaldehyde before deciding to sell them to the public? What would have been the cost to the Agency of conducting such tests?

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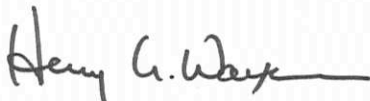
<sup>4</sup> *Banned Trailers Return for Latest Gulf Disaster*, The New York Times (June 30, 2010).

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2. Why did you rely on certifications that these units would not be used for housing, rather than require notices to be permanently affixed to the units themselves, stating that they were not safe for use as housing?
3. Given your statements that GSA was taking adequate steps to safeguard against misuse of these units, how do you explain the current situation?
4. Having heard concerns from members of Congress, health advocates, and the public that the measures implemented by GSA and FEMA would be inadequate to prevent the trailers from being used as housing, what measures did you have in place to take action in the event that trailers were used for housing in violation of the terms of sale?
5. What steps are GSA and FEMA now taking to address the ongoing situation in the Gulf and the apparent use of these units for prohibited purposes?
6. What steps are GSA and FEMA taking to address the apparent willful violation of the terms of sale of the units?

Thank you for your assistance and cooperation in this matter. We ask that you provide a full and complete response no later than July 16, 2010. Should you have any questions regarding this request, please have your staff contact Tim Robinson or Robin Appleberry at 202-226-2424.

Sincerely,



Henry A. Waxman  
Chairman



Bobby L. Rush  
Chairman  
Subcommittee on Commerce, Trade and  
Consumer Protection

cc: The Honorable Joe Barton  
Ranking Member

The Honorable Ed Whitfield  
Ranking Member  
Subcommittee on Commerce, Trade,  
and Consumer Protection