



# FEMA

U.S. Department of Homeland Security  
Federal Emergency Management Agency  
Intergovernmental Affairs Division  
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## Intergovernmental Affairs Advisory

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### **FEMA Announces New Dispute Resolution Pilot Program for Public Assistance Applicants**

FEMA is announcing a new pilot that allows public assistance grant applicants an added option of arbitration by an independent review panel to resolve disagreements related to public assistance projects for disaster-related emergency protective measures; infrastructure repair and replacement work; or debris removal. This Dispute Resolution Pilot Program is a result of the Sandy Recovery Improvement Act (SRIA) of 2013.

The added option allows applicants, including state, local, tribal, and territorial governments as well as certain non-profits, to file for arbitration, which will be conducted by an independent review panel, instead of pursuing a second appeal under FEMA's Public Assistance (PA) Program.

This pilot is a result of SRIA, signed into law by President Obama on January 29, 2013. The law authorizes several significant changes to the way FEMA may deliver disaster assistance under a variety of programs.

By statute, the pilot program will sunset on December 31, 2015. By statute, a request for review by an independent review panel may not be made after December 31, 2015.

Dispute resolution will be an option for emergency protective measures; infrastructure repair and replacement projects; or debris removal where:

- The applicant has completed a first appeal in accordance with the Code of Federal Regulations, 44 C.F.R. § 206.206;
- The amount in dispute is equal to or greater than \$1,000,000; and
- The applicant has a non-Federal cost share requirement (i.e., the project costs are shared – typically, 75 Federal, and 25 percent non-Federal).

The new option is available, effective immediately. Arbitrations are only available for disasters that are declared on or after October 30, 2012.

The arbitration decisions will be binding upon the parties to the dispute.

SRIA directs FEMA to establish a nationwide Dispute Resolution Pilot Program in order to facilitate an efficient recovery from major disasters, including arbitration by an independent review panel, to resolve disputes relating to emergency protective measures; infrastructure repair and replacement projects; or debris removal.

Typical appeals involve disputes regarding whether an applicant, facility, item of work, or project is eligible for Public Assistance; whether approved costs are sufficient to complete the work; whether a requested time extension was properly denied; whether a portion of the cost claimed for the work is eligible; whether the applicant may use the funds for an improved or alternate project; or whether the approved scope of work is correct. More information is available at <http://www.fema.gov/public-assistance-process-request-arbitration>.

If you have any questions, please feel free to contact FEMA's Intergovernmental Affairs Office at (202) 646-3444 or at [FEMA-IGA@fema.dhs.gov](mailto:FEMA-IGA@fema.dhs.gov).

*FEMA's mission is to support our citizens and first responders to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.*

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