

Statement of  
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Preparedness and Integration  
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Mr. Chairman, members of the Committee, thank you for the opportunity to testify today on "Getting Down to Business: An Action plan for Public-Private Disaster Response Coordination." I am Duane Ackerman, former Chairman and CEO of BellSouth Corporation. I am also a member of Business Executives for National Security (BENS). BENS is a national, non-partisan organization of business and professional leaders dedicated to the idea that national security is everybody's business. Its members apply their experience and expertise to improving the business of national security. In that spirit and commitment I served as Chairman of the BENS Business Response Task Force, which produced the report I am here to talk about today.

Invited by the senior leadership of both the United States Senate and U.S. House of Representatives to offer advice, in June 2006 BENS formed a Task Force to recommend to the U.S. Government steps to systematically integrate the capabilities of the private sector—principally those of the business community—into a comprehensive national disaster response mechanism.

BENS did so in response not only to the federal government's recognition of a pressing need in the aftermath of Katrina, but also in response to the overwhelming demand of its membership. During the summer and autumn of 2005, my company, BellSouth – and many, many companies across the country – experienced first-hand the reality that the role of business in response to national disasters has not been appropriately established—neither at the local and state nor at the national level.

In preparing this report, the Task Force assiduously mined the wealth of experience of its members and other executives—completing nearly 100 interviews—in developing its findings.

During the late summer and fall of 2006, the report, in draft form, was circulated widely and briefed to federal and congressional agencies and staff,

the White House, senior leaders at the National Governors Association and the Association of State Attorneys General, the US Northern Command, professional associations and to corporate leaders around the country. While the conclusions are those of the Task Force, the report benefits immeasurably from comments and suggestions made by our government and business colleagues.

The report's recommendations fall into three substantive categories: public-private collaboration; surge capacity/supply chain management; and legal & regulatory environment. In addition, the report specifies priorities and sequencing for implementing its recommendations.

Time does not permit us to discuss in detail the breadth of analysis and conclusions in their entirety. With the Chairman's permission, I would ask that the entire report be submitted for the record.

Today, I want to discuss with you what our Task Force revealed about the private sector and its role in response to disasters, both natural and man-made. Our aim was to build up what US Comptroller General David M. Walker, during his March 2006 testimony before your full committee, called the "total force"—by which he meant the coordinated assets of federal, state and local authorities, the military, non-profit organizations, *and the private sector*. The goal I set before the Task Force was to ensure that in large-scale disasters, the full breadth and depth of private-sector capabilities and resources are available when local, state and federal officials are all at the scene together.

The 100 surveys we conducted reaffirmed several truths that Task Force members recognized from their own experiences. First, disasters happen regularly and businesses routinely plan for un-forecast events. Second, businesses in the "strike zone" have extensive experience collaborating with public-sector first responders. Third, after securing their own operations, businesses invariably move to help ensure the continuity of the community.

Continuity of community is a key concept for officials charged with preparing the federal emergency response to consider. In a disaster, which always begins in a locality, support from the private sector is typically automatic, not only because businesses are citizens of their own communities, but also because without continuity of community no business can be done. In thinking about the Task Force's aims, it soon became clear that a key goal was determining how to scale effective local responses up to a true national response capability.

Our surveys revealed nine main themes that must be satisfied to re-establish continuity of community at the local level and, I believe, are equally applicable to creating an efficient national response. I will run through them very briefly and then focus on a single recommendation that we, the Task Force, believe would be worthy of your endorsement and support.

**Business Preparedness:** The first theme to emerge from the surveys was that companies' experience in preparing for crisis is extensive and applicable to government preparations.

The vast majority of large businesses, and many smaller ones, have a continuity plan in place. Nearly all companies stressed the importance of training their employees and crisis management leaders.

Example: Major retailers know to stock up on extra supplies during hurricane season and position them just outside the hurricane zone in order to be able to deliver them immediately after a storm passes. Government needs to leverage that private-sector capacity and plan for its use.

**Relationships:** The second theme is that relationships must be established in advance of a crisis. Companies must pursue pre-crisis relationships for their own continuity plans by developing lines of communication among employees and senior executives; with neighbors, suppliers and even competitors; and with government authorities at all levels.

**Authority:** The third theme is that there is a lack of clarity about who is in charge once governmental authority escalates from the local to the state and federal levels.

Example: One organization told an interviewer that while FEMA was at one door to help, the Customs and Immigration Service was at the other, trying to remove those whose visas were invalidated because the organization was closed for business (even though closure was due to the very same hurricane that its fellow DHS agency was addressing via recovery efforts).

**Communications:** The fourth theme is that operational and accurate communications are vital. Crisis wreaks havoc with technology to be sure, but the problem transcends technology. During Katrina, even when a company could feed into a government source, it was frequently reported that the information available was often confusing and inconsistent, particularly when multiple government authorities were on hand.

Example: If the land lines aren't working—which they are not if the power is down—you only have cell phones. But they have restrictions as well: one is the power to the towers, and two, their backup batteries only had a short useful life....So in any business that is spread out,... you're basically out of business. For one company, this season all of the senior executives have three separate cell phones on different systems, hoping that at least one of the systems will be up and operating.

**Logistics:** The fifth theme is that business needs improved methods to deliver goods and services to the government or directly to needy communities during a crisis. Interviewees discussed at length government's inability to accept and distribute goods and services in an efficient manner

following Katrina. Everything from food and clothing to medical care came in, but with a woefully inadequate logistics system, ice melted, donated clothing piled up and rotted, and medical personnel were turned away.

Examples: One company had 600,000 tarps available to cover damaged roofs, but the federal government was unable to draw on the supply chain to secure and distribute them. Another company offered to donate three mobile communications units, only to be told that their offer was refused and countered with a request to buy ten of the same. We were told by one interviewee that a senior manager of a large transportation association spent a full day trying—and failing—to locate a single authoritative point of contact within FEMA to coordinate bus deployments. Numerous examples were cited of the government's inability to accept private-sector donations, often because of lack of pre-defined procedure or mechanism for doing so.

**Business response:** The sixth theme is that like government authorities, some companies also play a role similar to that of first responders, and thus need to be given emergency responder status. Disasters often destroy many key components of a community's critical infrastructure, and business continuity for companies in those industries (such as energy and telecommunications) is an essential component of the community's immediate recovery. Therefore, these corporate first-responders (identified as such by the authorities and prior to a crisis) need to be given priority status with regard to credentialing and access to facilities, affected areas, and information.

Example: Because the private sector plays such an essential role in rebuilding the community, it is important that government agencies generally refrain from commandeering essential goods from corporate first responders. Fuel and power were frequently cited as the most important resources needed early in a crisis. Without those inputs, business cannot proceed and many continuity plans fall apart. One company reported twenty-five pieces of heavy equipment completely under water and damaged. New equipment was ordered but as it was being brought in (to New Orleans for work on a priority federal project), it was commandeered. The company had to send a local sheriff to escort the equipment. Further, fuel from Baton Rouge for the same equipment got commandeered at the checkpoint as well.

**FEMA:** The seventh theme is that FEMA representatives were replaced far too often, thus resulting in FEMA policies being inconsistently applied and the establishment of working relationships with FEMA on the local level becoming nearly impossible. Also, the mechanisms for establishing two-way communications with FEMA officials on the ground were unreliable from the start and quickly overwhelmed. We trust that recent changes at FEMA have rectified these shortcomings.

**The Good Samaritan:** The eighth theme is that the vast majority of companies—like the vast majority of citizens—will strive to “do the right

thing” during crises. One can discern from their behavior that business cultures that are not risk-averse on a daily basis will not be risk-averse in a crisis. The challenge is how to transfer this cultural insight from the private sector to government bureaucracies.

**Legal and Regulatory Barriers:** The ninth theme is that regardless of industry, size, or location, companies found significant regulatory barriers that hindered their ability to execute their own continuity plans, to assist within their communities, assist other communities, and work in concert with government recovery efforts.

Attention to these themes, as I said at the outset, is key to preparing an effective, efficient response at the local, state, regional or national level.

With these challenges in mind let me return to the principal goal of our Task Force efforts: to ensure that the efficient application of private-sector capabilities and resources is preserved as the disaster escalates through local, state, regional and, eventually, federal jurisdiction and action.

Our key recommendation is this: The American private sector must be systematically integrated into the nation’s response to major disasters, natural and man-made alike. The Task Force believes that building public-private collaborative partnerships, starting at the local, state or regional level, is one of the most important steps that can be taken now to prepare the nation for future contingencies.

Local, state or regional public-private partnerships are vital to filling gaps in homeland security and disaster response that neither government nor business can manage alone. These partnerships mobilize private-sector cooperation—including the supply of material assets, volunteers, information and expertise—that strengthens our nation’s capability to prevent, prepare for, and respond to catastrophic events.

Government and business know intuitively that they need to work together during crisis, but how to do that doesn’t come without effort on both sides. Business-government collaborations require a level of trust and agility that is easiest to build at the local, state and regional levels, and they are possible at all levels.

The failure so far to properly integrate the private sector into the government disaster response apparatus, while serious and pervasive, can be remedied. To do so requires a new dedication to effective public-private partnership and, we believe, a new approach: simultaneous, integrated action from *both* the very top of our federal government structure *and* from the state and local levels upward.

The framework we propose is simple and straightforward: Emergency Operation Centers (EOCs), which already exist at all levels of government to

plan for, train and implement emergency responses to disaster, should include a presence for the private sector beyond that which exists today. The private sector, in turn, must maintain parallel Business Operation Centers (BOCs) that can plug-in to government operations and "scale up" with them in a *parallel* and *coordinated* manner as government adapts to deal with disasters from small to large.

Recognizing that it is not possible for all businesses to participate at the "table" at once, the Task Force recommends that BOC membership be generally rotating and structured in three tiers:

- 1) Critical infrastructure owners and operators as permanent members;
- 2) Other sectors or companies deemed critical to restoring the continuity of community, represented on an "as available" or voluntary basis. (These seats could be rotating or permanent, based on the number of such businesses or the nature of the functions they provide to the community. Regional or national companies who cannot participate at each local level can be brought into the response as it escalates to the regional or national level); and,
- 3) Entities representing business at large within the community (Chambers of Commerce, professional or trade organizations, or civic clubs, e.g., Rotary), as rotating participants that can reach back to their business membership for help or information sharing.

The BOC concept creates an operational capability that integrates private-sector resources into emergency response plans. This operational capability is missing from the National Response Plan as currently constructed, and we are hopeful that this capability will be recognized and encouraged in the current revision of the NRP. A Business Operations Center, connected structurally to its corresponding EOC, will greatly enhance disaster-response capability by providing a vehicle to include the private sector in planning, training, exercising and most important, in an actual event.

As simple and logical as this proposition sounds, real business-government disaster response integration is still in its infancy. This integration needs to mature across the country, and fast, if we as a nation are to seriously prepare for the next major calamity. It is my hope, and the sincere recommendation of the BENS Task Force, that you will acknowledge, encourage and support the building and exercising of enduring public-private collaborative partnerships that integrate the private sector into our nation's response infrastructure. In turn, the private sector must have a reliable government partner. Viable partnerships will reflect balanced participation among private, local, state, regional and federal actors in all phases of operations: planning, training, exercising and executing. If this structural reform is adopted, it will greatly facilitate all of the other recommendations in the report of the BENS Business Response Task Force.

Thank you.