

**LEVERAGING THE PRIVATE SECTOR  
TO STRENGTHEN EMERGENCY PREPAREDNESS  
AND RESPONSE**

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**HEARING**

BEFORE THE

**SUBCOMMITTEE ON EMERGENCY  
COMMUNICATIONS, PREPAREDNESS,  
AND RESPONSE**

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TENTH CONGRESS**

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## LEVERAGING THE PRIVATE SECTOR TO STRENGTHEN EMERGENCY PREPAREDNESS AND RESPONSE

Thursday, July 18, 2007

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS,  
PREPAREDNESS, AND RESPONSE,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 10:07 a.m., in room 311, Cannon House Office Building, Hon. Henry Cuellar [chairman of the subcommittee] Presiding.

Present: Representatives Cuellar, Christensen, and Dent.

Mr. CUELLAR. The Subcommittee on Emergency Communications, Preparedness and Response will come to order. The subcommittee is meeting today to receive testimony in the hearing today regarding the ways in which the Department of Homeland Security can better utilize the private sector in order to strengthen emergency preparedness and response in times of terrorist attack, major disaster or other emergency.

I, just like all my colleagues—today is a very special day. We got committee hearings at the same time. I have got two other—I have got a markup in Ag, Small Business, I have got to go over there for some work that has to be done. So I have to go over there.

And I will—Mr. Dent, I will go ahead and leave Mrs. Christensen in charge of the committee. I have a statement, but I will go ahead and submit that as part of the record. I will be back in about 20 minutes. Again, to all of the members, please, I don't like doing this, but one of my other chairwomen up there wants a subpoena issued, and I think I am the vote to get it over. So I have to go over there, but I will allow Mr. Dent to do the opening statement and then at this time I will go ahead and let Mrs. Christensen—and I will see you in about 20 minutes.

[The information follows:]

PREPARED OPENING STATEMENT OF THE HONORABLE HENRY CUELLAR, CHAIRMAN,  
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

Good morning, First, on behalf of the Members of the Subcommittee, let me welcome our panel of witnesses who are here to discuss how to better respond to and recover from a terrorist attack, major disaster or other emergency through an enhanced partnership between the Department of Homeland Security and the private sector.

We are glad that you all are here today. We look forward to hearing from representatives from the private sector—including both large and small companies and associations. We hope to draw upon your experience, resources, and best practices

to help strengthen emergency preparedness and response at the local, State, and Federal levels.

We also look forward to hearing from the Department to learn about new developments within the Policy and Private Sector Offices to better coordinate logistics and communications with the private sector.

The private sector owns approximately 85% of the Nation's critical infrastructure and has been working closely with the Department in the development of the National Infrastructure Protection Plan. Given its role in protecting critical infrastructure, the private sector can greatly support our country in times of crisis.

While the Department has been working to improve its ability to coordinate efficiently during disasters, the subcommittee wants to ensure that it is truly incorporating best practices to enhance its preparedness.

It is a pleasure to see that the private sector witnesses today are also representing associations that should work closely with the Department—The U.S. Chamber of Commerce, the National Black Chamber of Commerce and the Business Roundtable. All of these groups are able to provide valuable insight given its member companies are what drives our nation's economy.

And the committee especially looks forward to hearing from our small business witness from New Orleans, whose company was affected by Hurricane Katrina. And while the company was recovering, it still provided debris removal services through a subcontractual relationship with FEMA, and continues to work with the Army Corps of Engineers and FEMA to provide recovery services.

The subcommittee wants to hear what the Department is doing to address the following areas that are important to the response and recovery process: logistics, donation management, credentialing of private sector officials and standards to create business continuity in the private sector.

By strengthening public and private partnerships we can assure our communities that emergency preparedness and response at the local, State, and federal levels will be efficient and effective when a major disaster, terrorist attack, or other emergency takes place.

I want to thank the witnesses again for their testimony.

Mr. DENT. Well, thank you, Mr. Chairman, and good luck in your meeting. This is a busy day, too. In fact we have a conference committee meeting on the 9/11 Commission recommendations bill, which I shall be part of later today as a conferee. So this is an extraordinary day.

First, thank you, Mr. Chairman. I want to thank the witnesses for being here today with us.

As we discussed in other subcommittee hearings, the job of preparing the Nation to respond to emergencies—be it a terrorist attack or some type of a natural disaster—cannot be done by the Federal Government alone. It must be a collaborative effort across all levels of government and it must include the private sector. The private sector controls 85 percent of the Nation's critical infrastructure. It certainly drives the economy. Given its importance, all levels of government should work to leverage the tremendous resources and expertise that the private sector possesses. This will help ensure a more efficient and effective response to emergencies, as well as facilitate recovery efforts.

At the Department of Homeland Security, both the Private Sector Office and FEMA engage regularly with the private sector to improve logistics management, promote continuity of operations planning, and improve individual and community preparedness. It is my understanding that several new initiatives are underway at FEMA to increase the participation of the private sector.

For instance, FEMA will soon be launching a new Loaned Executive Program through which a member of the business community will be placed within FEMA's Policy Office to assist in logistics management. I look forward to discussing this initiative and other

ideas the witnesses may have to further improve coordination and leverage the resources and expertise of the business community.

Again, I want to thank the witnesses for being here. At this time I want to yield back to the Chair. Thank you.

[The information follows:]

PREPARED STATEMENT OF THE HONORABLE CHARLES DENT, RANKING MEMBER,  
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

As we've discussed in other subcommittee hearings, the job of preparing the nation to respond to emergencies—be it a terrorist attack or a natural disaster—cannot be done by the Federal government alone.

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For instance, FEMA will soon be launching a new "Loaned Executive" program, through which a member of the business community will be placed within FEMA's Policy Office to assist in logistics management.

I look forward to discussing this initiative and other ideas our witnesses may have to further improve coordination and leverage the resources and expertise of the business community.

Again, I thank the witness for being here.

Thank you, Mr. Chairman.

Mrs. CHRISTENSEN. [Presiding.] Thank you, Mr. Dent. We have no other members, but we will accept their opening statements for the record should they join us.

I want to welcome our panel of witnesses. Our first witness is Mr. Alfonso Martinez-Fonts, Jr., who is the Assistant Secretary for the Private Sector Office within the Department of Homeland Security. Mr. Martinez-Fonts, Jr. was appointed to this position in November 2005. Prior to that he served as a Special Assistant to the Secretary for the Private Sector in the Department. He has extensive experience in the private sector, having worked 30 years in the banking industry.

Our second witness, Mr. Marko Bourne, is the Director of Policy and Program Analysis for the Federal Emergency Management Agency within the Department of Homeland Security. Mr. Bourne was appointed to this position in October of 2006. He has more than 20 years of experience in governmental and legislative affairs, public affairs emergency services, and emergency management fields.

Our third witness is Mr. J. Michael Hickey who is the Vice President of Government Affairs and National Security Policy for Verizon, a position he has held for the past 3 years. He previously served as the State president of Verizon New Hampshire and has extensive experience in both the private and public sectors. Mr. Hickey is also a member of the U.S. Chamber of Commerce Homeland Security Task Force.

Our fourth witness is Mr. John Howard who is the Senior Vice President and General Counsel of W.W. Grainger, Inc. Mr. Howard

has been serving in this capacity since 2000. He is a member of the Business Roundtable's Partnership for Disaster Response, and Mr. Howard also has extensive experience with the Federal Government and the private sector.

Our fifth witness is Mr. Barry Dinvaut, Sr., who is the CEO of Dinvaut's Trucking Service, Incorporated. Mr. Dinvaut, Sr. has been the CEO for 30 years and has 10 years of banking experience. His company is also a member of the National Black Chamber of Commerce, and we are pleased to have all of you present today.

Without objection, the witnesses' full statements will be inserted into the record. And I now ask each witness to summarize his statement for 5-minutes, beginning with Assistant Secretary Martinez-Fonts, Jr..

**STATEMENT OF ALFONSO MARTINEZ-FONTS, JR., ASSISTANT SECRETARY FOR THE PRIVATE SECTOR OFFICE, DEPARTMENT OF HOMELAND SECURITY**

Mr. MARTINEZ-FONTS. Good morning, Madam Chair, and thank you members of the committee. I want to thank you very much for the opportunity to speak before you today.

I am Al Martinez-Fonts, Jr., Assistant Secretary for the private sector at the U.S. Department of Homeland Security. With my remarks before you today, I would like to give you some background about the statutory mandates of the Department of Homeland Security Private Sector Office.

I will also talk briefly about the benefits of collaboration and challenges of partnership building, and then I would like to conclude by illustrating how we in DHS components leverage the private sector in areas of emergency preparedness and response.

To begin, let me introduce you to the unique function of the DHS Private Sector Office. As a part of the 2002 Homeland Security Act, specifically Title I, section 102(f), Congress created the position of Special Assistant to the Secretary for the Private Sector. Comprised of a staff of 14 employees, the Private Sector Office executes outreach, research and analysis, based on its statutory mandates to communicate, engage, and cultivate partnership building with the private sector.

We also act as an advocate when we advise the Secretary on the impact of DHS policies, regulations, processes, actions, and their impacts on the private sector.

There are 30 million businesses in the United States. It would be impossible to reach all of the private sector if it weren't for partnerships. Simply put, without partners we can't do our job. On a daily basis my office works with local chambers of commerce and trade associations like the U.S. Chamber of Commerce, the Business Roundtable, National Association of Manufacturers, National Federation of Independent Businesses, Association of Industrial Security, International Business Executives for National Security, and hundreds of other associations, individual businesses, non-governmental organizations and academic institutions, to foster dialogue and create opportunity for the Department's mission.

To begin, we believe that when the private sector and the government work together, they can share in the benefits of collaboration. Public-private partnerships enhance our Nation's ability to prepare



for, respond to, recover from, and mitigate against acts of terrorism and natural disaster. Ranging from individual businesses to non-governmental organizations, partnerships can exchange information, facilitate dialogue, or focus on a particular set of issues.

Partnerships, as the term implies, also have characteristics which can lend to their success. We believe that a defined mutual goal, a champion on either side of the partnership, and a business case for action aids in the ability for a partnership to take root and grow.

However, we recognize that there are challenges to partnership building, especially between the private sector and government.

First, we encourage businesses to be prepared. We support business continuity standards as a framework for businesses, especially small businesses, to start a business emergency plan, to engage their employees and to protect their assets. For example, NFBA 1600 is the National Standard for Business Continuity, as developed by the NFCA and endorsed by the American National Standards Institute, the 9/11 Commission, and the U.S. Department of Homeland Security.

We also work with other associations and organizations, like the American Society for Industrial Security to encourage the use of business preparedness standards and best practices. An example of this adoption was the creation of Ready Business. In 2004, we launched Ready Business to encourage business owners and business managers to plan to, one, stay in business; two, talk to their employees; and three, protect their investments.

To complement their outreach at the local level, Ready Business launched the Ready Business Mentoring Initiative to assist business and community leaders in hosting and delivering business preparedness workshops.

Second, we support efforts made by State and local governments to engage the private sector. This past May, my staff worked with the city of Charlotte and the Charlotte Chamber of Commerce to design and develop the Charlotte Business Preparedness Summit.

As a result of this pilot, we are working with the Ready campaign to create a toolkit to encourage State and local governments to build their relationships and work with the private sector.

Third, we support business outreach, business awareness outreach. For example, we promoted the Department's largest preparedness initiative, National Preparedness Month, to be held this September, as it has been in the past couple of years. On a daily basis, we work with our colleague in the Office of Infrastructure Protection who coordinates and facilitates the sector coordinating councils of the private sector organizations which represent the 17 critical infrastructures and key resources. In fact today, these councils are hosting, for their very first time, the meeting of the Critical Infrastructure and Partnership Advisory Council as we speak. This council serves as a forum for the government and the private sector security partners to share information and develop means to protect against natural disasters or terrorism.

In yet another example, we have helped FEMA incorporate the private sector expertise into its operations by creating the FEMA Loan Business Executive Program. This initiative will bring seasoned experts from the private sector into FEMA operations to

serve as advisors and collaborators on missions of critical programs such as logistics, credentialing and incidence response. Governments are always looking for better ways to leverage the private sector in emergency response and, as mentioned earlier, there are challenges in doing this.

For example, FEMA has now created prenegotiated contracts for emergency services to be able to expedite the procurement process and deliver goods and services to an affected area quickly. Through programs like this, FEMA is leveraging many of the business practices that the private sector has to offer. While we understand that many private-sector companies wish to sell solicited goods and services, we also believe that there are many people that just want to do something.

We saw this clearly during the 2004 hurricane season when companies from around the world offered unsolicited services. After that event, the Private Sector Office created NERR, the National Emergency Response Registry. We quickly found out during Katrina that NERR was unable to manage the flood of unsolicited offers of goods and services. To replace NERR and address the need for a robust donation management system during a crisis, FEMA reached out to Aidmatrix, a nonprofit organization who, through a grant from FEMA, created a virtual superhighway for all levels of government, the private sector and nonprofits, to connect and share unsolicited offers of products and services and volunteers for crisis management and everyday mission support.

There are countless examples that I could give you but what I will say in conclusion is partnerships could be a vital key in leveraging the private sector in emergency preparedness and response. Recognizing that partnerships are not a means to shift the public burden away from the government, a partnership in its true state, where both partners contribute their core skills and services, is a joint effort. By creating this collaborative environment we can create opportunities for relationship building and information sharing which in turn may create better communication, trust, and collaboration between the government and the private sector. This type of cooperation can only enhance our Nation's ability to better prevent, protect against, respond to, and recover from an act of terrorism or a natural disaster.

This concludes my prepared remarks and I look forward to answering any questions that you may have.

Mrs. CHRISTENSEN. Thank you. Thank you, Secretary Martinez-Fonts, Jr..

[The statement of Mr. Martinez-Fonts, Jr. follows:]

PREPARED STATEMENT OF ALFONSO MARTINEZ-FONTS, JR.

### ***Introduction***

Chairman Cuellar and Members of the Committee.

Thank you for the opportunity to respond to the committee's request for information on how the Department of Homeland Security (DHS) leverages the private sector to strengthen emergency preparedness and response. I am Al Martinez-Fonts Jr., Assistant Secretary for the Private Sector within the Office of Policy at the Department of Homeland Security, and I am pleased to respond to the Committee's request for information about public-private cooperation in emergency preparedness and response.

In order to adequately inform the Committee and respond to its request we are providing information about the Private Sector Office itself, which is a unique cre-

ation in the Executive Branch; various characteristics, requirements and experience with public private partnerships; specific information about Private Sector Office activities in support of public-private cooperation in emergency preparedness, response and recovery; and examples of activities by several other components of the Department, excluding in part, FEMA, which is represented here today.

***Part I—The Private Sector Office***

The U.S. Department of Homeland Security's Private Sector Office (PSO) is an outgrowth of the position of Special Assistant to the Secretary, created in Title I, Section 102(f) of the Homeland Security Act. The Special Assistant was given seven enumerated tasks designed to promote cooperation between the Department and the private sector. The Private Sector Office was created as a result of requests made to Congress by major business associations who recognized that more cooperation between the Department and the private sector was necessary to maintain a healthy economy while enhancing our nation's homeland security efforts. The Intelligence Reform and Terrorism Prevention Act of 2004 added three more tasks to the original seven in the Homeland Security Act.

In condensed form, the statutory mandates for PSO are to:

- Create and foster strategic communications with the private sector;
- Advise the Secretary on the impact of Department's policies, regulations, processes and actions on the private sector;
- Interface with Federal agencies performing homeland security missions to assess their impact on the private sector;
- Create and manage Private Sector Advisory Councils;
- Work with Federal labs, research and development centers, academia to develop innovative approaches and technology;
- Promote public-private partnerships to provide collaboration and mutual support;
- Develop and promote private sector best practices to secure critical infrastructure;
- Coordinate industry efforts regarding DHS functions to identify private sector resources that could be effective in supplementing government efforts to prevent or respond to a terrorist attack or natural disaster; and
- Consult with various DHS components and the Department of Commerce on matters of concern to the private sector.

In order to carry out our mission it is essential that we have partners. Our principal partners are the trade associations and the Chambers of Commerce to which the thirty million businesses in America belong. Without them, we cannot do our job. These associations and Chambers of Commerce include the U.S. Chamber of Commerce, Business Roundtable (BRT), National Association of Manufacturers (NAM), National Federation of Independent Businesses (NFIB), Association Society of Industrial Security (ASIS), Business Executives for National Security (BENS) and hundreds of others.

To work with our partners, the Private Sector Office has evolved into a staff of fourteen Federal personnel, with additional contract staff support. The Private Sector Office is now part of the Policy Office where it is better able to satisfy its statutory mandate.

The Private Sector Office has two divisions: the Business Liaison Division and the Economic Analysis Division. The Business Liaison Division works directly with hundreds of individual businesses, trade associations, nonprofits, and other professional and non-governmental organizations, ranging from the U.S. Chamber of Commerce and the Business Executives for National Security to the American Red Cross. The Business Liaisons also work with the Department's components, as well as with other Federal agencies, including the Small Business Administration, the U.S. Department of Labor, U.S. Department of Commerce and the U.S. Department of Health and Human Services.

The roles and examples of activities of the Business Liaison Division include:

**Obtaining information from the private sector to advise senior leadership and the policy development process by:**

- Conducting preparedness efforts, infrastructure protection outreach and education;
- Facilitating immigration issues/TWP outreach work;
- Encouraging Work Place Enforcement sessions and discussion;
- Facilitating Safety Act listening sessions with industry;
- Providing situational awareness to current and emerging issues (i.e., effects of regulation on the chemical industry, travel industry impacts of WHTI, effects of immigration legislation on U.S. employers);

- Contributing to numerous Department initiatives (i.e., non-immigrant visas/Rice Chertoff Initiative, etc.); and
- Pandemic preparedness seminars with HHS/CDC.

**Creating and fostering strategic communications with the private sector by:**

- Creating and sustaining relationships with U.S. Chamber of Commerce, Business Roundtable, National Association of Manufacturers, Business Executives for National Security, National Federation of Independent Business, American Society for Industrial Security (ASIS), as well as many Critical Infrastructure/Key Resource (CI/KR) and non-CI/KR associations;
- Facilitating discussions and relationships with major corporate leaders (i.e. Wal-Mart, Home Depot, General Electric, financial services sector leaders, etc.);
- Conducting topic-focused roundtables for the Department to receive insight and awareness from private sector leaders (large and small businesses, associations/NGOs); and
- Participating in the process of delivering government information (threat response, mitigation, etc.) to the private sector.

**Promoting DHS policies to the private sector by:**

- Delivering speeches and presentations to various groups and constituencies communicating Homeland Security policies, actions and initiatives; and
- Working with DHS leadership, the DHS Office of Public Affairs and other DHS components to shape and target communications and provide strategic engagement of private sector leaders and key constituencies.

**Supporting outreach to the private sector by DHS components by:**

- Aiding rollouts and operations (e.g., US VISIT, National Response Plan (NRP), National Infrastructure Protection Plan (NIPP), etc.);
- Facilitating private sector member/association involvement in national and regional preparedness exercises (e.g. TOPOFF 4);
- Participating in incident communications and operations during an event of national significance. For example, coordinates staff forward to the Joint Field Office, ESF 15 (External Relations) operations; and private sector assistance to FEMA (i.e. establishing networks/relationships, large donations);
- Obtaining private sector inputs to DHS Strategic Plan, NRP, NIPP and similar products; and
- Contributing to improved Border crossing operations (i.e., 25% Challenge in Detroit, Mariposa Port of Entry, Nogales, AZ).

**Facilitating and encouraging public private partnerships by:**

- Working with the *Ready* Campaign, specifically *Ready Business*, to encourage owners and operators of small to medium sized businesses to create a business emergency plan, to talk to their employees and to take steps to protect their assets; and
- Coordinating with State and local business coalitions such as Pacific North West Economic Region (PNWER), Great Lakes Partnership (Chicago); Security Network (San Diego); Pittsburgh Regional Coalition for Homeland Security, Washington Board of Trade, ChicagoFIRST, State and regional BENS affiliates, Bankers and Brokers Roundtable, Hispanic Chamber of Commerce.

**Encouraging the commitment of private sector resources to homeland security activities by:**

- Promoting business continuity and supply chain security and resilience; and
- Encouraging coordination/integration of cyber and physical security.

The Private Sector Economic Analysis Division works with the Policy Office, other DHS components, other Government agencies, and external organizations to obtain information and analyze issues. More specifically, its roles and actions include the following:

**Providing economic analyses of current or proposed Homeland Security actions, rules and regulations to offer component agencies and senior leadership with additional insight and perspective by:**

- Assessing the consequences of cyber attacks;
- Evaluating Pandemic Influenza efforts;
- Conducting air traveler customer surveys;
- Reviewing U.S. VISIT survey/analysis;
- Assisting U.S. Citizenship and Immigration Service (USCIS) in developing proof of concept analysis for their Transformation Project; and
- Coauthoring *Risk Assessment of Collecting Antidumping Duty and Analysis of CBP Bonding Policy* for CBP.

**Reviewing regulations, including providing help to regulating agencies by:**

- Assisting the Transportation Security Administration (TSA) in the completion of various rulemakings and their subsequent rollouts (i.e., REAL ID, APIS, ADIZ, trucking hazardous materials);
- Providing comments and assisting USCIS on completing the proposed rule on the Religious Worker Visa Program; and
- Working with USCIS, ICE and the Chief Procurement Officer on estimating the costs of various components of the IMAGE (ICE Mutual Agreement between Government and Employers) programs.

### ***Part II—Public-Private Partnerships***

This section identifies the types of participants, some of the roles and purposes of partnerships, the requirements for successful partnerships, the risks that may hinder their success, major variability in results, and examples of public-private partnerships at the Department of Homeland Security.

The public-private partnership model is quite different from the traditional government relationship which treats the private sector as more of a supplier or customer. “Partnership” requires a different mental attitude for all participants. It implies “give and take,” not a “take it or leave it” philosophy. Both the government and the private sector partners have constraints (e.g. legislative, contractual, financial, or staffing), which limit their ability to agree on actions. However, the expectation is that neither the public nor the private sector will “win every argument” and, instead, will work collaboratively to achieve mutually beneficial goals.

### **Stakeholders of Public Private Partnerships**

There are many possible participants in public-private partnerships. The public sector participants could be agencies from one or more levels of government: Federal, State or local. In most cases, the government participants do not involve their senior agency official. The private sector participants in a partnership can include individual businesses, trade associations, civic organizations, nonprofits and non-governmental organizations like the American Red Cross.

### **The Purpose of Public Private Partnerships**

Public private partnerships have many potential roles and purposes. Some are focused on preventing terrorism while others combine protection and preparedness actions, to include both acts of terrorism and natural disasters. Still others may focus only on natural disasters but their results can be transferable in either case. Public-private partnerships may have one or more of the following purposes, some of which can overlap:

- For Federal, State or local governments to provide and receive information related to acts of terrorism and natural disasters;
- For private sector organizations to learn, understand, and influence prospective decisions by governments regarding prevention, protection and preparedness relative to acts of terrorism and natural disasters;
- For governments responding to a disaster, to encourage cooperation with the private sector, who may be able to provide donations of goods or services, restore utilities or essential services to pre-disaster status, or work to reduce the impact of a disaster;
- For governments to obtain economic information useful in aiding in its recovery, evaluating disasters and reducing potential impact of mitigation decisions;
- For private sector organizations to mobilize with government to address disaster related issues which are critical to the private sector; and
- To solve security and expedited movement of people and goods across our borders.

### **Characteristics of Public Private Partnerships**

Most public-private partnerships are not created under a specific legislative mandate. However, there are several characteristics of building a partnership which could be characterized as “requirements” in order for that partnership to be successful. Some are addressed in written documents, but many are not. They include:

- A charter with agreed scope for work and collaboration; success requires clear mutual goals defined before the partnership begins;
- Agreed commitments to and expectations of the partnership, including staffing and budget required of each party;
- A designated leader from the government and one from the private sector, who can address any issues which may arise;
- Public-private partnerships can be initiated by the private sector or the government, although most are initiated by the government. Many times the government, initially, persuades one or more key private sector partners to join the effort who then in turn help recruit other private sector members. In order to

persuade the private sector to participate, there needs to be a “business case”, or “value proposition”;

- Compatibility between the partnership’s purposes and the mission and goals of government agency and private sector partners is essential; and
- Individuals in both the government and the private sector who are “champions” or “promoters” for the partnership are very important, particularly where the “business case” is not very strong.

#### **Challenges to Successful Implementation of Public-Private Partnerships**

Public-private partnerships are vulnerable to risks and challenges which can lead to their termination or change of course. Some risks can be addressed; others cannot. The risks may include:

- Concern by the private sector regarding potential liabilities associated with sharing information with governments, and for voluntary actions taken to assist in recovery from disasters. Many businesses would like to collaborate, but are deterred by real or perceived liability issues. ;
- The ability of businesses and organizations to assist. Many businesses and organizations that have the capacity and resources to make a significant impact on emergency preparedness, response, and recovery are often suppliers of goods and services, therefore creating a potential conflict of interest;
- Changing priorities of the government or private sector partners, which may lead to a reduction in commitments and/or expectations on either side;
- Loss of a “champion” or “promoter”;
- The proliferation of partnership organizations, which can involve the same private sector or government organizations, may lead to confusion, conflict or “partnership exhaustion”;
- Mishandling or inappropriate sharing of information by either government or private parties may lead to a loss of trust and credibility;
- Perception of favoritism toward individual firms by the government if the partnership excludes their competitors; and
- Understanding the level of participation. Unless the “business case” for participation is understood at the beginning of the public-private partnership, it may not survive long.

#### **Variability Among Public Private Partnerships**

There is no single model of public private partnership that supports the prevention, protection against, or preparedness for natural disasters or terrorist actions. Some of the variations between partnerships include:

- Whether a particular partnership should be continuing, or ad hoc for a specific disaster or issue;
- Level of involvement of local, State, or national level or a combination of one or more levels; and
- Number of participants and budget, which can range from few and no allocated budget to hundreds and annual budgets measured in thousands of dollars.

#### **Results and Impacts from Public Private Partnerships**

Over 85% of the critical infrastructure and key resources in the United States are owned or operated by the private sector. Federal, State and local governments in the United States are neither authorized by law nor have the funds to provide comprehensive protection to each critical infrastructure asset. Thus unless the private sector takes actions to prevent, protect against, respond to, and recover from an act of terrorism or natural disaster, the country will be poorly prepared to deal with these possibilities.

While the private sector can do so on their own, greater impact occurs when they collaborate through public-private partnerships. Many partnerships have been created in the past five years and few have been terminated, a sure sign of progress which has helped to further enhance the information sharing, preparedness, and protective actions necessary to help ensure the security of the Nation.

Almost every review of the United States’ efforts to prepare to prevent, protect against, respond to, and recover from terrorist or natural disasters urges the continuation and increase in public private partnerships to achieve that end. Although there are no available statistics on numbers or results of public-private partnerships, the fact that there is still willingness and desire by both the private sector and governments to create such arrangements is a strong indication that the results and impacts of those partnerships have been very positive.

#### **Successes of Public-Private Partnerships**

Public-private partnerships directly or indirectly help to address preparedness/consequence management issues and protect critical infrastructure.

**Examples of Public-private partnerships at the Department:**

- The Office of Infrastructure Protection coordinates and facilitates Sector Coordinating Councils of private sector organizations representing each of the 17 Critical Infrastructure/Key Resource Sectors. These councils work with government agencies through the Critical Infrastructure Partnership Advisory Council to share information and develop means of preventing, protecting against and preparing for terrorist disasters.

In addition, the Office of Infrastructure Protection coordinates the National Infrastructure Advisory Council (NIAC) which provides the President through the Secretary of Homeland Security with advice on the security of the critical infrastructure sectors and their information systems. The NIAC is composed of a maximum of 30 members, appointed by the President from private industry, academia, and State and local government.

- The Office of Intelligence and Analysis officials work with State and local authorities at fusion centers across the country to facilitate the two-way flow of timely, accurate, and actionable information on all types of hazards. In Washington State, for example, representatives from the private sector sit side-by-side with government.

Fusion centers provide critical sources of unique law enforcement and threat information; facilitate sharing information across jurisdictions and function and provide a conduit between men and women on the ground protecting their local communities and State and Federal agencies. The Department will have tailored multi-disciplinary teams of intelligence and operational professionals in fusion centers nationwide by the end of fiscal year 2008.

- The Homeland Security Advisory Council (HSAC) provides advice and recommendations to the Secretary on matters related to homeland security. The HSAC is comprised of leaders from State and local government, first responder communities, the private sector, and academia. In 2007, the HSAC Private Sector Work Group created "The Future of Terrorism Task Force Report" and the "Homeland Security Culture Report".

- The Science and Technology Directorate facilitated the establishment of the Homeland Security Science and Technology Advisory Committee. This was established in 2004 to serve as a source of independent, scientific and technical planning advice to the Under Secretary for Science and Technology as mandated by the Homeland Security Act of 2002.

- The National Communications System (NCS) has had an active partnership with the telecommunications industry since its inception in 1962. NCS coordinates the National Security Telecommunications Advisory Committee of 30 industry executives, which advises national leadership on exercise of telecommunications functions and responsibilities. They are also responsible for coordinating the planning and provision of national security and emergency preparedness communications for the Federal government under all circumstances, including crisis or emergency, attack and recovery, and reconstitution.

The National Security Information Exchange (NSIE) process was established as a forum in which government and industry could share information in a trusted and confidential environment to reduce the vulnerability of the Nation's telecommunications systems to electronic intrusion. The NSIE process continues to function today, demonstrating that industry and government will share sensitive security information if they find value in doing so.

- The Transportation Security Administration (TSA) regularly works with key air transport organizations. In the event of a disaster, TSA works with these organizations to assist in the disaster response efforts. For example, during Hurricane Katrina, TSA, through its ongoing relationship with the Air Transport Association (ATA), facilitated air transportation from ATA member airlines to over 20,000 disaster victims.

- The Office of Cyber Security and Communications (CS&C), is working in partnership with the Office of Infrastructure Protection, Sector-Specific Agencies, and public- and private-sector security partners, and is committed to preventing, protecting against, responding to, and recovering from cyber attacks and their consequences. CS&C's strategic goals include preparing for and deterring catastrophic incidents by achieving a collaborative risk management and deterrence capability with a mature information sharing partnership between government and the private sector. This strategic goal also encompasses tactical efforts to secure and protect the Nation's cyber and communications infrastructures from attacks and disasters by identifying threats, vulnerabilities, and consequences.

A number of initiatives are currently under way to identify vulnerabilities to the Nation's critical infrastructure, assess their potential impact, and determine appropriate mitigation strategies and techniques. CS&C supports the management of risk to the information technology and communications sectors' critical functions and infrastructures that support homeland, economic, and national security; it works to reduce the likelihood of success and severity of impact of a cyber attack against critical infrastructure control systems; detects and analyze cyber attacks; and facilitates the identification of systemic risks across the Nation's CI/KR sectors.

The Private Sector Office staff is assigned a portfolio which covers many of our largest components such as Customs and Border Protection, Immigration and Customs Enforcement, the Transportation Security Administration and the Federal Emergency Management Agency. The Private Sector Office often acts as a catalyst with Department components to cultivate and foster their own public-private partnerships.

### ***Part III—Strengthening Emergency Preparedness and Response through Public-Private Partnerships***

The concept of leveraging public-private partnerships to strengthen emergency preparedness and response is gaining momentum every day. There is a movement on the part of both government and the private sector to form partnerships to better prepare and respond to crises. We see a tremendous opportunity for the private sector to be a vital partner in preparing communities, offering support in disaster response and being part of the solution during long term recovery.

#### ***Leveraging Partnerships in Emergency Preparedness***

We believe that members of the private sector can be strong partners in preparing their communities for disaster. Companies that prepare their own operations, employees, and assets for an emergency are an important part of their community's preparedness efforts. In addition to taking part in the preparedness, planning and exercise process, all companies large and small can share their practices and become preparedness ambassadors in their communities. We use all of the Department's available resources and reach out through our partnerships to encourage emergency preparedness.

#### ***Adoption of the Preparedness and Business Continuity Standard - the NFPA 1600***

PSO and the Department supports the active use and outreach of programs based on the *Preparedness and Business Continuity Standard NFPA 1600* as developed by the National Fire Protection Association and endorsed by the American National Standards Institute and the 9/11 Commission.

A successful example of this adoption is *Ready Business*. In 2004, the U.S. Department of Homeland Security's *Ready* Campaign and the Advertising Council launched *Ready Business*, an extension of its successful campaign to educate Americans about what they need to do to prepare for emergencies. Based on the principles of NFPA 1600, *Ready Business* was developed by the Department and launched in partnership with the U.S. Chamber of Commerce, the Small Business Administration, the Society of Human Resource Management, The Business Roundtable, The 9/11 Public Discourse Project, ASIS International, Business Executives for National Security, the International Safety Equipment Association, the International Security Management Association, the National Association of Manufacturers, the National Federation of Independent Businesses, and the Occupational Safety and Health Administration.

The goal of *Ready Business* is to raise the business community's awareness of the need for emergency planning and motivate businesses to take action. The campaign encourages business owners and managers to plan to stay in business, talk to their employees, and protect their investment.

The campaign's messages are delivered through television, radio, print, outdoor and Internet public service advertisements (PSAs) developed and produced by the Advertising Council, as well as through brochures, the [www.ready.gov](http://www.ready.gov) and [www.listo.gov](http://www.listo.gov) Web sites, the toll-free phone lines 1-800-BE-READY and 1-888-SE-LISTO, and partnerships with a wide variety of public and private sector organizations.

*Ready Business* also has a Spanish language companion, *Listo Negocios*, which provides several *Ready Business* tools and resources translated into Spanish.

In May 2006, the *Ready* Campaign launched the *Ready Business* Mentoring Initiative. This initiative is designed specifically to help owners and managers of small and medium sized businesses prepare for emergencies. Materials were created to assist business and community leaders in hosting and delivering business preparedness workshops and training sessions. These sessions and the *Ready Business* Mentoring Guides outline how businesses can plan to stay in business after an emer-



agency, talk to employees, and protect their assets. Workshop materials were provided through collaboration through USDA Cooperative Extension Service funded Education Disaster Extension Network (EDEN).

To reach businesses and business organizations across the country, the Department reached out to the U.S. Department of Commerce, the Small Business Administration, the U.S. Department of Agriculture and the nation's leading business organizations to distribute the Ready Business Mentoring Guides and access its resources.

#### **State and Local Collaboration with the Private Sector**

PSO encourages the connection of the private sector to state and local community based programs. For example, through FEMA's Citizen Corps program, the private sector can connect with State and local government, citizens and first responders through State and local Citizen Corps Councils. Citizen Corps' primary mission is to bring community and government leaders together in an all-hazards emergency preparedness, planning, mitigation, response, and recovery framework. The Citizen Corps nationwide network includes more than 2,200 Citizen Corps Councils located in all 56 States and Territories. Councils are encouraged to include the business community and integrate business resources with community preparedness and response preparedness activities, planning, and exercises.

Citizen Corps' Partner Programs also collaborate with businesses. National Partner Programs include more than 2,600 Community Emergency Response Teams (CERT) and hundreds of Fire Corps, Medical Reserve Corps, Neighborhood Watch, and volunteers in Police Service programs around the country. Many CERTs already include the business community in their training and exercises. For example, the San Diego County CERT has trained local utility and telecomm employees as part of their partnerships, and many CERTs have adapted the curriculum to business needs, providing Business Emergency Response Training for employees.

An important priority for Citizen Corps Councils at all levels is to educate and inform Americans in all sectors—including the private sector—about steps they can take to be prepared. The Citizen Corps program works closely with the *Ready* Campaign, making *Ready Business* and other *Ready* materials widely available. Furthermore, Citizen Corps encourages its Councils to work with local emergency management and to incorporate work continuity plans and planning in specific community context.

PSO also supports outreach by State and local government to the private sector. Last month PSO worked with the City of Charlotte and its Chamber of Commerce as well as the U.S. Chamber of Commerce in the design and development of the Charlotte Regional Business Preparedness Summit. This summit provided the business community with Federal resources, a forum to engage Charlotte's Office of Emergency Management and its local first responder community, a forum to engage Federal, State and local public health officials regarding Pandemic Flu, a showcase to highlight best practices in Charlotte's business community for business continuity planning, and finally, a first hand opportunity to learn the fundamentals of business continuity as outlined by the NFPA 1600.

This event was a pilot initiative with our office and the U.S. Chamber of Commerce to increase engagement of business owners and operators on the importance of business continuity planning, emergency response coordination and pandemic flu preparedness. As a result of this pilot the Private Sector Office is working with the *Ready* Campaign to create a toolkit for communities to will help them bring together the business community with local government to educate, encourage and empower local businesses owners and operators to be prepared and to involve them in community preparedness planning and outreach initiatives.

#### **Business Preparedness Awareness**

The PSO supports the Department's business preparedness awareness and outreach. One of the largest outreach initiatives held by the Department is National Preparedness Month. Held in September, it encourages Americans to prepare for emergencies in their homes, businesses, and communities. For the first time, the NPM will specifically dedicate an entire week, September 9-15th to encouraging business preparedness.

I want to thank the Homeland Security Committee Chairman Thompson and Ranking Member King, as well as Senators Joe Lieberman and Susan Collins, for their leadership and agreeing to serve as honorary Congressional co-chairs of National Preparedness Month.

This year's effort already has a growing coalition of more than 625 national, regional, State, and local organizations pledging support, many of which are based in the private sector.

National Preparedness Month coalition members, a majority of which are private sector partners, have agreed to distribute emergency preparedness information and sponsor activities across the country that will promote emergency preparedness.

#### ***Pandemic Flu Preparedness***

PSO supports DHS components in the development and outreach objectives of the Pandemic Planning Guide for Critical Infrastructure and Key Resources. This guide was created in partnership with the Department of Health and Human Service's Centers for Disease Control based on the principles of the national standard for business continuity, the NFPA 1600. In partnership with SafeAmerica and the U.S. Chamber of Commerce, PSO participated in a series of pandemic flu preparedness events across the country. PSO reached out to the DHS Chief Medical Officer, the DHS Office of Infrastructure Protection and to the U.S. Department of Health and Human Services, U.S. Department of Education, U.S. Department of Labor and the U.S. Department of Agriculture to promote joint pandemic outreach initiatives.

The Department also collaborated on the development of pandemic planning checklists for a variety of audiences to include individuals and families, businesses, communities, healthcare, schools as well as State and local governments. These checklists are utilized by thousands of individuals and organizations as they begin and refine their pandemic plans. These checklists, in addition to the planning guidance published by DHS, are aiding citizens and businesses as they do their part to become more resilient community—not only for a pandemic, but for any type of emergency.

#### ***Encouraging Interagency Collaboration with the Private Sector***

PSO encourages collaboration between the Federal government and the private sector to promote emergency preparedness. For example, PSO worked with the DHS Office of Infrastructure Protection to coordinate with the Department of Energy (DoE) to encourage owners and operators of gasoline stations to wire and install generators to operate fuel pumps in case of a power outage. Additionally, the Department worked with DoE to sponsor exercises that included electrical and oil and natural gas industry. We also sought to identify lessons learned and needed changes to protocols. Industry also participated in a lessons learned forum to identify best practices and needed changes to prevention, protection, response and recovery.

#### ***Leveraging Information Sharing, Communications and Collaboration with the Private Sector***

The Department manages many programs and initiatives which regularly foster communications and facilitate the sharing of information between the government and the private sector. In fact, we believe that homeland security is our nation's greatest public-private partnership. We believe that utilizing the capacity of private sector to expand the reach of emergency response and public safety networks is vital in mitigating potential loss of life and property in an emergency. Simultaneously, the private sector is also eager to acquire accurate and timely information from all levels of government to be able to act quickly as part of their risk management processes and to protect their employees, operations, and assets.

PSO works with FEMA to institutionalize the concept of information sharing through public-private partnerships and to integrate the private sector into FEMA's communications, outreach, and operations. For example, we are assisting FEMA in its proactive approach of incorporating the private sector into emergency operations.

We are also helping FEMA incorporate private sector expertise into its operations by creating the FEMA Loaned Business Executive Program. This initiative will bring seasoned experts from the private sector into FEMA operations to serve as advisors and collaborators on mission critical programs such as logistics, credentialing, and incident response.

Working with FEMA's National Exercise Division and the Office of Infrastructure Protection, PSO encourages the private sector to train and exercise their business emergency plans. Two highly successful national exercise programs that encourage the inclusion and participation of the private sector are detailed below.

#### ***National Top Official Exercise: TOPOFF 4***

FEMA's National Exercise Program manages the Top Officials 4 (TOPOFF 4) exercise set to take place in October 2007. This is the Nation's premier terrorism preparedness exercise, involving top officials at every level of government, as well as representatives from the international community and private sector. Sponsored by DHS, TOPOFF 4 is the fourth exercise in the TOPOFF Exercise Series, a congressionally mandated exercise program. Each TOPOFF exercise involves a two-year cycle of seminars, planning events, and exercises culminating in a full-scale assessment of the Nation's capacity to prevent, prepare for, respond to, and recover from terrorist attacks involving Weapons of Mass Destruction (WMD).

*National Cyber Exercise: Cyber Storm II*

The National Cyber Exercise Cyber Storm II, scheduled for March 2008, is a national cybersecurity initiative designed to exercise communications, coordination, and partnerships across the public (Federal, State, local and international) and private sectors in the event of a cyber attack. The exercise will allow participants from government and the private sector to examine their capabilities to prepare for, protect, and respond to the potential effects of cyber attacks. Cyber Storm II will also provide public and private sector participants with the opportunity to build relationships for further collaboration, especially during an emergency.

**Leveraging the Private Sector in Emergency Response**

While the private sector holds resources and expertise which the government may seek to utilize in responding to and recovering from a disaster, there are several challenges that stand in the way of realizing a full partnership. There are legal and proprietary limitations which may hinder the private sector's ability become a full partner in preparedness as well as provide solicited goods and services to the government in the event of an emergency. As I mentioned earlier, this is a limitation that may deter the private sector from becoming involved in preparedness activities for fear of liability and loss of an economic opportunity. Conversely, governments at all levels must abide by specific procurement law, regulations, and requirements when acquisitioning goods and services from the private sector. These impediments may reduce the ability for government to leverage the resources and assets of the private sector in an emergency.

All levels of governments are looking for ways to bridge the ability of the private sector to work with governments. For example, FEMA has now created pre-negotiated contracts for emergency services to be able to expedite the procurement process and deliver goods and services to an effected area quickly. This action was taken from lessons learned during the 2005 hurricane season. We have seen that State and local governments have also begun a similar process to ensure that goods and services can be brought to bear in a cost effective and expedited manner.

We understand that while many in the private sector seek to provide solicited goods and services to governments during an emergency, there are many businesses across the world who, acting as good corporate citizens, want to "do something". The private sector, just like individuals, seeks to contribute in their own way by offering unsolicited goods, services, and volunteers to aid State and local government in disaster response. We saw this during the 2004 hurricane season when companies from around the world offered boats, planes, communications, and volunteers to Federal, State and local government. It was after that season that the Private Sector Office created the National Emergency Response Registry (NERR), which managed (in a virtual environment) the offers of unsolicited goods and services. However, during Hurricane Katrina, NERR was unable to adequately manage the flood of unsolicited offers of goods and services. To replace NERR and address the need for a robust donation management system during a crisis, FEMA reached to AIDMATRIX, a nonprofit organization who, through a grant from FEMA, has created a virtual superhighway for all levels of government, the private sector and nonprofits to connect and share unsolicited offers of products, services and volunteers both for crisis management and everyday mission support.

Subsequently the NERR framework was retooled to create FEMA's Debris Contractor Registry. This is an electronic database developed to assist State and local governments identifying and contacting debris removal contractor resources. The information is provided and maintained by contractors and their representatives.

We believe that a company's greatest asset is its people. We have seen an increase in the number of corporations providing assistance to employees who have been affected by an emergency. By taking care of their employees, the private sector knows they are more able to get their operations back online quickly after an interruption. For example, many corporate employee assistance programs are now being tailored to assist the response and recovery needs of employees who may have been severely impacted by a disaster. We found that during the 2005 hurricane season, companies provided housing for not only their impacted employees, but also to their extended families, while also providing services such as job placement, health and medical care. We have also seen companies utilize technology tools to locate and mobilize assistance to their employees within minutes. For example, a company utilized an online mapping system with their employees' home addresses to quickly locate their employees in the event of an emergency. Within minutes of the Enterprise, Alabama tornados, they were able to locate and mobilize targeted assistance to employees whose homes were in the area of the tornado. This type of rapid response to employee safety and well-being is just one example of how the private sector can trans-

form how organizations of all kinds prepare their employees, operations, and assets for an emergency.

The Private Sector Office provides support to assist the Department's components in empowering and engaging the private sector to be a full partner in emergency preparedness and response. Public-private partnerships can expedite the preparedness and recovery processes by creating an environment of relationship building and information sharing which in turn may create better communication, trust, and collaboration between government and the private sector.

#### **Summary**

Public—Private Partnerships have existed in the United States for many years. They often have very diverse membership involving one or more levels of government and can also involve varying numbers of private sector organizations.

One essential characteristic of a successful Public—Private Partnership is that it must provide clear benefits to all parties, including a shared and valued outcome. These benefits constitute the “value proposition” of the Partnership and define the motivations and contributions that members bring to it.

There are very many types of Public—Private Partnerships. The more successful ones have a scope and purpose that results in continuing benefits to the public and private participants and also have “champions” in both the public and private sectors. Mishandling of shared information between the public and private participants, changing goals of government or private sector partners, loss of “champions”, and potential liability for sharing information are among the main risks that can cause premature termination of Public—Private Partnerships.

The results and impacts of Public—Private Partnerships for prevention, protection, response, and recovery have been very positive and have increased in the past five years both from pre-existing partnerships and from newly created ones.

Public-private partnerships are not “disguised charity” by the private sector. Good partnerships serve common public/private sector interests, and private partners must be chosen carefully based on their business interests and resources. Public-private partnerships are not a means to shift the public burden away from government. However, a “partnership” in its truest state, is where both partners contribute their core skills and services as a joint effort. This collaboration creates an environment which builds trust, communication and cooperation. These results only enhance our nation's ability to better prevent, protect against, respond to, recover from an act of terrorism or a natural disaster.

Mrs. CHRISTENSEN. I now recognize Director Bourne to summarize his statement for 5 minutes.

#### **STATEMENT OF MARKO BOURNE, DIRECTOR OF POLICY AND PROGRAM ANALYSIS, FEDERAL EMERGENCY MANAGEMENT AGENCY**

Mr. BOURNE. Thank you. Chairman Cuellar, members of the committee, I appreciate the opportunity to appear here today. My written statement goes into great detail on the business and management processes that we have been changing in FEMA in what Administrator Dave Paulison calls “new FEMA” and really it is a change in the way we are approaching not only our day-to-day operations but our disaster work and our outreach to the private sector.

In my remarks I would like to just focus on a couple of key elements in our strengthening relationships with our partners in the private sector and the benefits that we are already beginning to see from it. We are working diligently to build a new FEMA that is stronger and nimble. We have been given expanded authorities by this Congress and resources to implement our reorganization, strengthen our existing structure, incorporate the core elements of what was the Preparedness Directorate of DHS and other organizations as part of this new organization.

One of the first ways we have used our relationship with the private sector is to get the ball rolling on our organizational reforms.

Administrator Paulison initiated late last year 17 business assessments of FEMA's business practices and processes. They included recommendations for how we can reform our process and our service to the public through best practices from the private sector, and we have already institutionalized many of these recommendations. These assessments also are an essential part of the reorganization process.

While our new structure is in place now and we continue to further refine it, today FEMA is focused on its relationships with the private sector in key areas such as preparedness partnerships, our ongoing assessments, our enhanced logistical supply chain management, our contracting, our catastrophic event planning, our donations management, strong community coalition building, industry fairs, outreach, and our partnerships with State and local governments and encouraging them to also reach out to their private-sector partners.

I am happy to note that this relationship has been a two-way street. Many businesses are taking active steps to implement the recommendations of the Ready Business program. FEMA was part of the creation of that and are pleased that that has taken such root in the business community. And we are looking at more ways to outreach to emergency management at the State and local level so that they can participate in getting private-sector partner to cooperate in planning for disasters in advance that may affect cities in regions in which they work.

FEMA is also engaging the private sector to help us assess and build a stronger emergency management system. We do this through our infrastructure protection programs, our legacy grant programs that came over from the Preparedness Directorate, report security grant program, transit inner city bus and others.

Increasingly, we are trying to leverage the resources and expertise of our partners in the private and nonprofit sectors even above the important role they have always played in the past. This increased reliance comes about because the new FEMA is trying to develop innovative ways to move forward, leaning quicker and forward-responding to disasters and emergencies.

We have done a number of prescriptive mission assignments, prenegotiated contracts rather than waiting until an event happens to do our contracting, and, since Katrina and Rita, FEMA has worked aggressively to award hundreds of prenegotiated competitive contracts with large, small business set-aside requirements that are in place and ready for this existing hurricane season and available to us in the future.

We have also revamped our logistics management. We have created a new directorate that is specifically responsible for logistics management, and it is importing the best practices from the private sector as well as our government partners such as the Defense Logistics Agency. The Citizen Corps program is available to all communities for outreach on emergency preparedness planning, mitigation and response, and there is over 2,200 Citizen Corps Councils that involve the private sector across the country.

In FEMA's opinion, the private sector should also continue in several areas to build upon their own preparedness in many critical paths, the first being developing strong relationships and strong

business plans internally for their own continuity of operations at all of their locations and their critical data centers; to develop employee support plans for when employees' office locations are damaged or affected, or if employees have lost their homes to disaster.

A key element of any recovery is getting people back to work as quickly as possible. We encourage prudent risk management programs, health and safety programs, working closely with the local and State emergency managers to build disaster protocols ahead of time.

The private sector is also working with FEMA on a number of initiatives, and we have specifically had meetings with both the Chamber of Commerce, BENS, Business Executives for National Security, and the Business Roundtable. Recent meetings held last month with the Chamber and BENS were looking at providing an opportunity for the business community to have a seat in the National Response Coordination Center here in Washington, D.C., and ultimately in our regional coordination centers in the regions. And the Chamber is actively and aggressively working with us over the next month to actually put that in place.

FEMA is also integrating the private sector in a number of our programs and we are pleased with the support that we are getting from the Department of Homeland Security's Private Sector Office in assisting us in that manner.

To give you one example on a regional level, our Boston Region I office has begun working with regional, national and global companies based in New England in order to inform and establish an information-sharing network. These include Verizon—who is with us today—Raytheon, Bank of America, G-TECH and hundreds of others as part of a newly developed network that is reaching out to more than 5 million people in New England.

We are also working with these companies to develop communications networks between government and the private sector with the purpose of creating a free flow of information before, during, and after an incident. These will help us leverage those resources.

These are just a few highlights of the approach that we are taking. We consider our first responder—or, rather, our business partnership to be in its early days. We want to see a continued growth. We want to work to establish even stronger relationships, build the expertise, begin to use our Aidmatrix system that we have supported to develop the donations management portal that all States and emergency management at the local level can use for donated resources.

We are doing a pilot program in Denver with Infraguard and the BENS chapter in Denver, Colorado, also on outreach and information sharing. All of these are part of our outreach effort, and we are going to continue to press forward on those. We believe that the private sector has a prominent role in emergency management, and we want to build the relationships that we can, and we are committed to doing so.

And I thank you for the opportunity to be here today and to speak about where we are going with new FEMA and look forward to answering any questions you might have.

Mrs. CHRISTENSEN. Thank you, Mr. Bourne.

[The statement of Mr. Bourne follows:]

PREPARED STATEMENT OF MARKO BOURNE

**Introduction**

Chairman Cuellar and Members of the Committee.

I am Marko Bourne, Director of Policy and Program Analysis and Evaluation at the Department of Homeland Security's Federal Emergency Management Agency.

You have heard Administrator Paulison discuss his vision for a "new FEMA." It is the Nation's preeminent emergency management and preparedness agency. And, it demonstrates an ethos of leaning further forward to deliver more effective assistance to communities and disaster victims. The new FEMA is focused on:

- Leading the Nation to better prepare against the risk of all-hazards, including terrorism;
- Marshaling an effective national response and recovery effort;
- Reducing the vulnerabilities of lives and property;
- Speeding the recovery of communities and individual disaster victims; and,
- Instilling public confidence when it is needed most—in the hours and days following a disaster.

And, it accomplishes these objectives through the professional efforts of dedicated women and men who are developing operational and support core competencies; and implementing operational and business practices designed to lead the Nation's domestic preparedness, response and recovery missions in an all hazards environment. The new FEMA is adding value to and working hard to improve disaster response and emergency management programs at all levels of government and in the private sector. FEMA is a proactive, engaged, agile and responsive leader and partner in preparedness and emergency management.

We are working diligently to build this new organization, while leveraging the solid foundation of expertise and accomplishment brought to FEMA by core elements of the former DHS Preparedness Directorate that, since April 1st of this year, are now a part of FEMA. These past and ongoing preparedness activities are being integrated with the actions and initiatives that FEMA has been taking for the past 18 months to improve operational efficiency, build mutually beneficial partnerships, learn best practices, and gain valuable insight on how we can and should operate in the future.

In particular, FEMA is focused on improving its relationships with the private sector by focusing on key areas such as preparedness partnerships, internal organizational assessments, enhanced logistical supply chain management, contracting, planning for catastrophic events, donation management, strong community coalition building, and industry fairs and outreach.

As the committee considers private sector preparedness efforts and challenges, at FEMA we are working closely with the DHS Private Sector Office (PSO), the Office of Infrastructure Protection (OIP), the Office of Public Affairs and others to strengthen the outreach to a critical partner in the response and recovery from emergencies. In order to achieve a greater level of private sector preparedness, many businesses have updated their business continuity plans based on their lessons learned from Hurricanes Katrina, Rita, and Wilma, and are working with emergency management officials at local, state and federal levels to get more involved in planning for disasters that may affect the cities and regions in which they operate. FEMA is also engaging the private sector to assist us in our efforts to build a stronger emergency management system. Through the National Incident Management System (NIMS) and the National Response Plan (NRP) revision process, FEMA and OIP worked with industry representatives to include language in NIMS that integrates the private sector as a full partner in incident management.

**Preparedness Partnerships**

Of course, FEMA does not and can not accomplish its important mission alone. We rely on all of our partners across the emergency management spectrum. Increasingly, we are leveraging the resources and expertise of our partners in the private and non-profit sectors—even above and beyond the important role they have always played in the past.

This increased leveraging of capabilities comes about because the new FEMA is developing and using innovative ways to be more forward leaning in response to disasters or emergencies. One way we are accomplishing this is through pre-scripted Mission Assignments and pre-negotiated contracts to provide necessary resources.

We also have a vast portfolio of grant programs FEMA now manages that supports implementation of the Interim National Preparedness Goal. The Goal outlines an all-hazards vision that cuts across the four mission areas of preparedness: to pre-

vent, protect against, respond to and recover from major events, including terrorist attacks and catastrophic natural disasters. The Goal is truly national in scope, in that its successful implementation requires engagement across Federal, State, local, and tribal levels, as well as the private sector and individual citizens.

Also, DHS' grant programs allow a tremendous amount of flexibility for State and local jurisdictions to include private sector entities in planning efforts. Allowable activities include the development of public/private sector partnership emergency response, assessment and resource sharing plans, development or enhancement of plans to engage with the private sector/non-governmental entities working to meet human service response and recovery needs of victims and the development or enhancement of continuity of operations and continuity of government plans.

Although many of FEMA's grant programs award funds to state or local governments to implement projects that support their State or Urban Area Homeland Security Strategies, ongoing coordination with private sector partners—particularly on key issues related to critical infrastructure protection where the private sector owns 85% of the assets—is absolutely necessary. The private sector plays a vital role in the planning process that supports the implementation of preparedness grants in the field. Recognizing this vital role, FEMA has engaged organizations such as Business Executives for National Security (BENS), the U.S. Chamber of Commerce, and the Council for Excellence in Government to further the dialogue on preparedness.

One exception is the Urban Areas Security Initiative (UASI) Nonprofit Security Grant Program (NSGP) for which nonprofit organizations in the 46 designated UASI areas are eligible for grants. This grant program, announced this past April, will provide over \$24 million to eligible 501(c)(3) organizations who are deemed high-risk of a potential terrorist attack. Through this program, we are working with the private sector to enhance their security. In addition, FEMA's Port Security Grant Program (PSGP) is open to public and private owners and operators of critical port infrastructure. Overall, PSGP has provided more than \$1 billion to public and private entities since its inception in Fiscal Year (FY) 2002. Most of the funding in initial years of this program was awarded to federally-regulated private entities. Over the last 2 years, however, public entities received a higher proportion consistent with the DHS approach to securing critical infrastructure.

The Intercity Bus Security Grant Program (IBSGP), Trucking Security Program (TSP), and the Transit Security Grant Program (TSGP) are also available to the private sector. Similar to PSGP, these programs are focused on our nation's critical transportation infrastructure. In the case of the IBSGP and the TSP, 100% of the awards are made to private entities. IBSGP is targeted exclusively to commercial over-the-road bus entities to enhance the security of intercity bus systems that service Urban Area Security Initiative (UASI) sites. Through the IBSGP, DHS has awarded a total of more than \$60.5 million to commercial owners/operators of over-the-road buses providing fixed route services or charter bus services in high risk regions since FY 2003.

Since FY 2003 DHS has provided over \$62 million, through TSP, to the American Trucking Association (ATA), supporting operations of the Highway Watch® Program to enhance security and overall preparedness on our nation's highways. Through the Highway Watch® Program, a cooperative agreement with the ATA, highway professionals are recruited and trained to identify and report security and safety situations on our Nation's roads. ATA has used these funds to train more than 400,000 commercial truck drivers in highway security domain awareness and to operate a nationwide call center for truckers to report security incidents.

Funding for the TSGP is used to enhance the security of rail transit systems including commuter, light and heavy rail; intra-city bus; inter-city passenger rail (Amtrak); and ferry systems. Additionally, the Intercity Passenger Rail program, part of the TSGP, was created in FY 2005 to provide assistance to Amtrak to improve security to its passengers and to date DHS has awarded approximately \$22 million under this program.

Another significant example of public-private partnering is through FEMA's new Training and Education Division, which has a number of courses being developed or delivered that are available for private sector participation. For example, the new online training relating to the National Infrastructure Protection Plan (IS 860) is designed to be used by both government and private sector security partners. More than 3000 individuals have taken this course since it was posted this past year.

The National Exercise Division (NED) works closely with the Department's Private Sector Office and Office of Infrastructure Protection (OIP) to develop a systematic means to integrate the private sector into national level exercises as well as taking steps to coordinate future modifications to the Homeland Security Exercise and Evaluation Program that will encourage and guide State and local efforts to construct exercise activities inclusive of the private sector.



Moreover, private sector entities continue to be involved in the Hurricane Preparedness Exercise activities that are sponsored by the NED on an annual basis. Finally, NED, through its Direct Support Exercise Program, works with Major League Baseball, the National Football League, and other activities to organize and conduct exercises to ensure preparedness for large scale incidents at their venues that attract large concentrations of people.

The U.S. Department of Homeland Security and the Advertising Council launched the *Ready Business* Campaign in September 2004. This extension of Homeland Security's successful *Ready* Campaign, designed to educate and empower Americans to prepare for and respond to emergencies, focuses specifically on business preparedness. *Ready Business* helps owners and managers of small- and medium-sized businesses prepare their employees, operations and assets in the event of an emergency.

*Ready Business* was developed by Homeland Security and launched in partnership with the U.S. Chamber of Commerce, Small Business Administration, Society of Human Resource Management, The Business Roundtable, The 9/11 Public Discourse Project, ASIS International, Business Executives for National Security, International Safety Equipment Association, International Security Management Association, National Association of Manufacturers, National Federation of Independent Businesses, and Department of Labor's Occupational Safety and Health Administration.

The goal of *Ready Business* is to raise the business community's awareness of the need for emergency planning and motivate businesses to take action. The campaign encourages business owners and managers to discuss the benefits of emergency preparedness measures and the need to plan to stay in business; talk to their employees; and protect their investment.

*Ready Business* also has a Spanish language companion, *Listo Negocios*, which provides several Ready Business tools and resources translated into Spanish.

The campaign's messages are delivered through: television, radio, print, outdoor and Internet public service announcements (PSAs) developed and produced by the Advertising Council; brochures; [www.ready.gov](http://www.ready.gov) and [www.listo.gov](http://www.listo.gov) Web sites; toll-free phone lines 1-800-BE-READY and 1-888-SE-LISTO; and partnerships with a wide variety of public and private sector organizations.

In May 2006, the Ready Campaign launched the *Ready Business* Mentoring Initiative. This initiative is designed specifically to help owners and managers of small and medium-sized businesses prepare for emergencies. Materials were created to assist business and community leaders in hosting and delivering business preparedness workshops and training sessions. These sessions and the Ready Business Mentoring Guides outline how businesses can plan to stay in business; talk to employees; and protect assets. Workshop materials were provided through collaboration through the USDA Cooperative Extension Service funded Education Disaster Extension Network (EDEN).

To reach businesses and business organizations across the country, the Department reached out to U.S. Department of Commerce, Small Business Administration, U.S. Department of Agriculture and the nation's leading business organizations to distribute the Ready Business Mentoring Guides and provide access to its resources.

In addition to the Ready Business Mentoring Initiative, the Department also works with the private sector to encourage the adoption of the NFPA 1600 at the local level. For example the Department collaborated with the U.S. Chamber of Commerce on a pilot initiative to create a Regional Business Preparedness Summit in Charlotte, North Carolina. This event brought together local leaders in emergency management, public health and the private sector. Local businesses learned the importance of creating and exercising their business emergency plan, involving their employees, protecting their assets and coordinating with their local emergency management network.

FEMA is also integrating the private sector in a myriad of initiatives across the Agency. For example, we are working closely with Homeland Security's Private Sector Office to utilize their concept of relationship and partnership building with the private sector. We have embraced Homeland Security's Private Sector Office staff as part of our senior advisors. We are working together on initiatives where we can integrate the private sector into our communications, outreach and operations or by their expertise in such mission critical areas such as logistics.

A few highlights of our new approach to the private sector are:

We are exploring opportunities for the private sector to be represented in our national response and coordination center. Currently, we are working with the Private Sector Office to have a private sector representative included in various aspects of the Joint Field Office at the site of a major disaster or emergency to assist with the economic aspects of rebuilding and to inform the leadership at the site about available private sector assets to assist in response and recovery.

We are incorporating private sector expertise into our operations by creating the FEMA Loaned Business Executive Program. This initiative brings seasoned experts from the private sector into FEMA operations to serve as advisors and collaborate on mission critical programs.

Other initiatives include:

- Private Sector participation in the Regional Emergency Communications Coordination Workgroup.
- Memorandum of Understanding (MOU) with Stadium Owners/Operators.
- Pilot program with Infragard in Denver, Colorado.
- Mutual Aid for businesses.
- Mutual Aid Training for businesses.
- Developing Pilot Website to serve as a repository for posting information about the above activities, training opportunities, business continuity, as well as referrals to founding organizations.
- Establishing a working group within FEMA for developing and integrating credentialing requirements and programs such as the FEMA First Responder Authentication Card and Common Credential projects with wider government credentialing efforts of the DHS Screening Coordination Office.

#### **Internal Organizational Assessments**

At the end of last year, Administrator Paulison initiated a series of 17 independent Agency-wide organizational assessments as part of his commitment to lead FEMA to become the Nation's preeminent emergency management and preparedness Agency. The completed assessments established a baseline of FEMA's key systems, processes and capabilities in the areas of acquisition and contract management; finance and budget; human resources and disaster workforce; information technology, security, facilities, and logistics. The recommendations were built upon public and private best practices and were documented first in initial reports and then later in January 2007 in the 17 Final Reports. FEMA has moved quickly to implement the recommendations. This led to leveraging the private sector in vendor managed arrangements in supply chain management and logistics, advance contracting for response and recovery services, as well as developing an Business Executive Loan Program to incorporate lessons learned and enhance business practices and movement toward integrating private sector liaisons in national, regional and field emergency operations coordination centers

#### **Enhanced Supply Chain Management and Logistics**

FEMA's new Logistics Management Directorate is fulfilling a critical core competency by developing a disciplined, robust, and sophisticated supply and service capability. This Directorate will effectively plan, coordinate and manage the Federal logistics response and logistics recovery operations in support of domestic emergencies and special events.

FEMA is strengthening its collaborative partnerships with both the public sector and the private sector and have leaned toward establishing vendor managed arrangements for the storage, rotation, and shipment of certain commodities. FEMA is researching industry best practices to determine how they can enhance our logistical operations. While FEMA will continue to stock commodities for initial surge requirements (provide support for 1 million people within 72 hours); FEMA will work with pre-established partnerships for sustainment and for larger scaled supply chain initiatives. These partnerships have also helped to improve FEMA's immediate response and logistics capabilities by reducing the acquisition and distribution time, reducing the replenishment lead-time, and by strengthening FEMA's day to day supply chain operations.

To facilitate this involvement, Logistics Management sponsored market research in collaboration with the DHS Private Sector Office and the U.S. Chamber of Commerce.

In pursuit of this enhanced capability, Logistics Management is also analyzing its current business operations, its management practices and exploring the use of Third Party Logistics (3PL) providers for its transportation and warehouse management missions.

As with many of FEMA's operational offices, Logistics relies heavily on the private sector to provide critical operational support through competitively awarded contracts. Logistics has contracts with private sector for:

- National Commercial Bus Transportation Contract—Third party services for bus transportation. This contract provides over 1,000 coach buses for evacuation purposes. While evacuation is not a federal responsibility, we do have a responsibility to ensure that we are prepared to help states in crisis by providing this key asset.

- Base Camp support (July 31, 2007 target award date)—In the aftermath of a disaster, FEMA is often required to house its own response personnel, as well as personnel from State and local governments, other federal agencies, and volunteers. Under this contract, our private sector partners will be responsible for housing all authorized camp occupants with tents or modular units, equip tents and other facilities with air conditioning and heating, and leveled plywood floors, as well as provide bedding, meal services, kitchen, dining hall, limited recreation facilities, operations center, medical unit, refrigerated trucks, shower units, hand wash units, potable (drinking) water, water purification and manifold distribution systems, toilets, on-site manifold distribution of black and grey water and associated on-site sanitation systems, complete laundry service, industrial generators, and light towers.

FEMA's logistics organization will be one that is proactive and couples 21st century technology and a professional workforce with strategic public and private partnerships.

### **Contracting**

The first priority of FEMA during the initial phase of a major disaster is and has always been to provide relief to victims in the most efficient and effective way possible in order to save lives and property. FEMA's goal is to use competitive strategies while also providing local and socioeconomic businesses a competitive advantage whenever possible. FEMA had some pre-negotiated contracts in place before Hurricane Katrina; however, the extreme circumstances of storms like Hurricanes Katrina and Rita demonstrated that these few contingency contracts could not sufficiently meet mission requirements. As a result, many non-competitive contracts were needed in order to effectively and efficiently save lives and property.

Due to the magnitude and length of recovery time of Hurricanes Katrina and Rita, FEMA has recognized the need for more robust, well-planned contingency contracts and a thorough understanding of the qualifications and capabilities of the private sector in areas related to the Agency's mission. Since Katrina and Rita, FEMA has worked to aggressively award pre-negotiated competitive contracts, and these are in place and ready for the 2007 hurricane season. Contract agreements are in place covering all aspects of FEMA disaster management including logistics, mitigation, individual assistance, recovery, management, and integration center support.

By having advance contracts or similar agreements in place, FEMA as well as State and local first responders are more organized and efficient. Additionally, coordination is made easier among the federal, state and local governments, as each entity is aware of the goods and services for which FEMA has already contracted in the event of disaster. This increased coordination makes for a more effective and efficient response.

FEMA is particularly committed to working and partnering in advance with industry partners from the small and disadvantaged business community as well as local companies within disaster areas. The Agency is accomplishing its goal of benefiting these businesses through numerous initiatives, including:

- Participating in outreach forums to meet with the Small Business Community;
- Conducting personal meetings with interested vendors/contractors to present company capabilities and performance;
- Developing goals and acquisition strategies which are increasingly structured for maximizing the number of awards to small businesses;
- Networking with representatives of the U.S. Small Business Administration and local small business development centers;
- Participating in local, state and national conferences, seminars, and exhibits to gain access to current small business issues and interface with business and industry; and
- Creating a voluntary, debris removal contractor registry to enable small and local firms to notify FEMA, and interested state and local governments, of their capability to support disaster response and recovery requirements as needs arise.

### **Catastrophic Disaster Planning**

FEMA's Disaster Operations Directorate has collaborated closely with the DHS Private Sector Office (PSO), Office of Operations Coordination's Incident Management Planning Team and Office of Infrastructure Protection (OIP) to ensure that the private sector has continued visibility of Federal, State, local, tribal, and critical infrastructure coordination and activities related to responding to catastrophic disasters and overall awareness of FEMA's Catastrophic Disaster Planning Initiative. As part of the U.S. Chamber of Commerce's Business Civic Leadership Center and its Homeland Security Division's Annual Workshop, the Chamber sponsored a ses-

sion on June 7—8, 2007, in conjunction with the PSO to discuss response to and recovery from a New Madrid Seismic Zone Earthquake. One of the primary topics of discussion was how the private sector develops partnerships in planning to meet the challenge of responding to such an event and integrate planning between the public and private sector. A report detailing the results of the workshop, recommendations, and how the business community can partner with Federal, State, local, and tribal governments and critical infrastructure owners will be prepared and used as we move forward with the Catastrophic Disaster Planning Initiative not only for the New Madrid Seismic Zone, but also for the Florida (Category 5 Hurricane impacting Southern Florida), and California initiatives. The eight New Madrid Seismic Zone States (Alabama, Arkansas, Illinois, Indiana, Kentucky, Mississippi, Missouri, and Tennessee) are conducting Catastrophic Disaster Response and Recovery Planning Workshops this summer. The Chamber workshop served as a catalyst to begin the private sector participation in these initiatives.

The State of Florida has already initiated a series of workshops to address response and recovery planning for a Catastrophic Category 5 Hurricane impacting South Florida and planning for catastrophic earthquakes in California is now in the initial phase.

Important components needed to make the Catastrophic Disaster Planning Initiative a success include involving the private sector and business community to the maximum extent possible; establishing solid partnerships between the public and private sectors and non-governmental agencies; and highlighting the critical role the private sector can play in providing supplemental resources and assistance in catastrophic disaster events.

#### **Integrating Critical Infrastructure Protection as a key component of Catastrophic Disaster Planning and Incident Management**

FEMA, in collaboration with OIP, has done extensive work with the private sector in the development of processes to integrate the protection of critical infrastructure and key resources as a key component of incident management, which is critical to planning for catastrophic disasters. As a result of the lessons learned from Hurricane Katrina, FEMA and OIP worked closely together with other Federal departments and agencies and private sector partners to develop processes for addressing disaster-related requests from private sector Critical Infrastructure/ Key Resources (CI/KR) owners and operators. The processes also utilize the partnership model established in the National Infrastructure Protection Plan to enhance incident related information-sharing and decision making relating to CI/KR. The engagement of this public-private partnership as a component of incident management is important because the vast majority of the infrastructure in our country is owned and operated by the private sector. Having an established mechanism to foster coordination strengthens our ability to respond to the full spectrum of 21st century threats.

#### **Donations Management**

One of the lessons learned from Hurricanes Katrina and Rita is the need for a secure, user friendly system to efficiently connect Federal and State/Local Governments, the Private Sector and the Voluntary Sector to match the volume of donation offers of product and volunteers with appropriate nonprofit agencies. To fulfill this need, FEMA has partnered with the Aidmatrix Foundation, which has assembled a strong community of for-profit and nonprofit partners to come together and develop the FEMA In-Kind Donations Management Network. Leveraging leading-edge technologies, the information management provides a simple but effective means of connecting potential donors with potential recipients within the disaster relief community.

FEMA is providing the Aidmatrix Foundation \$950,000 this year to expand its existing disaster donations network. These funds will go towards establishing the framework for an integrated and coordinated approach to donations management by connecting private sector, government and leading nonprofit entities in times of disaster. This sponsorship will further enable Federal and State/Local emergency management organizations to better serve voluntary agencies and their private sector partners.

The FEMA/Aidmatrix In-Kind Donations Management Network will streamline the way donations are accepted, processed, tracked, distributed and acknowledged. When offers of donated products are made to FEMA or individual states, these offers will immediately be made available on the online network to participating charities. This, in turn, will allow government and nonprofit users to see in real time what services and goods are most needed and what donations may already be available for immediate distribution.

Under the cooperative agreement, each state will be provided a basic system at no cost. The basic system includes linking or connecting to the National Voluntary

Organizations Active in Disaster (National VOAD) member organizations in that particular state. The network also offers states software tools to rapidly set up a call center to meet the demands of an inquiring general public wanting to help in the aftermath of a disaster. Moreover, it enables states the ability to add additional nonprofit organizations, cities, and governmental agencies, if desired at their cost.

Thus far, Aidmatrix has been tested in two states and has received favorable feedback. We plan for Aidmatrix to be fully operational in near term. Some of its features and benefits are listed below:

- *In-Kind Donations Management—Call Center and Web Portal*—Creates a national in kind and state portals via the web. Enables state's rapid response with a call center. Reports are real-time. Provides enterprise wide visibility online.
- *Online Relief Warehouse Management—Aidmatrix Online Relief Warehouse Management* is a solution based on nonprofit warehouse management best practices. The system provides real-time visibility into relief warehouse activity and status for all stakeholders involved in a relief effort. Organizations at the local, state and national level can see up-to-the-minute inventory levels to assist in making decisions in times of disaster.
- *Financial Donations Management*—for those wishing to support a disaster relief operation by way of a financial contribution donors may be able to link directly to a number of voluntary agency websites to make a contribution as they may choose to do. As an optional element, Aidmatrix offers a 'The Aidmatrix Virtual Aid Drive' a tool that promotes the offering of financial donations to designated voluntary agencies.
- *Unaffiliated Volunteer Management*—Manage the volunteer response and connect offers to agencies with needs efficiently and effectively.

#### **Strong Community Coalition Building**

More than ever, we at FEMA are building stronger and more vibrant community coalitions and engaging with the private sector to ensure that they have a more prevalent role in emergency response through FEMA's Citizen Corps Program. Citizen Corps' primary mission is to bring community and government leaders together in an all-hazards emergency preparedness, planning, mitigation, response, and recovery framework. The Citizen Corps nationwide network includes more than 2,200 Citizen Corps Councils located in all 56 states and territories. Councils are encouraged to include business representation and to work with businesses to integrate business resources with community preparedness and response plans. An important priority for Councils at all levels is to educate and inform Americans in all sectors—including the private sector—about steps they can take to be prepared. The Citizen Corps program works closely with the Department of Homeland Security's Ready Campaign, making Ready Business and other Ready materials widely available. Furthermore, Citizen Corps encourages its Councils to work with local emergency management and to incorporate work continuity plans and planning in specific community context.

Citizen Corps' Partner Programs also collaborate with businesses. National Partner Programs include more than 2,600 Community Emergency Response Teams (CERT) and hundreds of Fire Corps, Medical Reserve Corps, Neighborhood Watch, and Volunteers in Police Service programs around the country. Many CERTs already include the business community in their training and exercises. For example, the San Diego County CERT has trained local utility and telecomm employees as part of their partnerships, and many CERTs have adapted the curriculum to business needs, providing Business Emergency Response Training for employees.

In addition, Citizen Corps Councils are encouraged to build strategic partnerships with local governments and businesses to use some existing grant funds for their coordinated training activities and exercises. Many local Citizen Corps Councils have also developed partnerships with major retailers to provide discounts and education on supplies to help families prepare for disasters. For example, Utah Citizen Corps volunteers worked with all 47 Wal-Mart stores statewide to promote preparedness during "preparedness weekends." Wal-Mart has also donated \$10,000 to support the program, paid for the Citizen Corps booth at the 11-day Utah State Fair and donated printed material on emergency preparedness. Clear Channel also provided free graphics for the Utah Citizen Corps billboards placed throughout the State, focusing on the "Be Ready Utah" campaign. They worked together on a media campaign encouraging Utah residents to remember preparedness items on their shopping lists.

#### **Industry Fairs and Outreach**

In an effort to create stronger partnerships with the private sector, and to better learn from their best practices and how they can support FEMA and the nation dur-

ing a disaster, FEMA has held two important industry fairs to meet with key partners.

On April 16—17, 2007, FEMA hosted a Manufactured Housing Workshop with several key manufacturers dealing with all phases of the housing program, including those from the travel trailer and mobile home industry. The first day was focused on the new Uniform Federal Accessibility Standards (UFAS) specifications FEMA adopted for travel trailers and mobile homes to be used in future disasters. On the second day, FEMA and the participants discussed creative acquisition solutions and possible new inventory management concepts to be used by the housing program. Participants learned about FEMA's Joint Housing Solutions Group and a new assessment tool, which provides a structured process to evaluate options and explore alternatives to manufactured homes. This new software evaluates housing options using several factors including cost, timeliness, community acceptance, range of use, and livability, and creates an opportunity to match needs to available housing units. Industry representatives showed great interest in contributing data and suggestions as well as reviewing evaluation results. FEMA is committed to working with our partners in the manufactured housing industry. Continued collaboration is vital to the success of FEMA's housing program.

On May 16, 2007, FEMA hosted a Passenger Airline Industry meeting to solicit from the airline industry how the federal government might best make use of commercial passenger aircraft to support the transport of evacuees from large populated areas to safe and secure locations. The event provided a forum for dialogue among FEMA, its Federal partners, and industry on efficient and cost-effective ways to provide air evacuation support. The discussion covered two important issues: evacuation flight operations and pre-positioning of aircraft. There were approximately 70 participants, including air industry trade groups and associations who represented national and regional commercial air carriers; major commercial airlines; charter passenger air carriers; aircraft brokers and intermediaries; airport authorities; and commercial airline industry regulators.

This meeting had three primary objectives aimed at addressing the air transport of evacuees: (1) to enhance FEMA's ability to conduct mass air evacuations; (2) to explore all available options in the commercial passenger airline industry; and (3) to establish air transport capacities and performance requirements. There was a general consensus that the industry could play a role in supporting flight operations to evacuate citizens prior to and immediately following a large-scale disaster. They have the capacity, capabilities, and expertise. FEMA's new burgeoning relationship with the air industry will continue in hopes of finding viable solutions to executing a large scale potential evacuation within the United States.

The private sector is also coordinating with both FEMA and state emergency management officials to arrange for liaisons in state emergency operations centers and joint field offices. We also held a meeting with those three groups on June 25, to discuss these efforts and others and are moving forward.

Some of our planned efforts include bringing private sector "executives on loan" to FEMA to assist us in our planning, logistics and management reform efforts. This will allow us to improve our business practices, develop 21st century logistics programs and provide a better link to the private sector during emergencies.

#### ***Conclusion—A Call for Continued Public-Private Communication and Partnership***

There will certainly be a continuing role for the private sector in the future. We at FEMA need to insure we are adapting to new conditions, adopting innovative and more effective business practices and addressing ever changing needs. To do this, we want to hear from and work with all audiences with a stake and a responsibility in preparedness and disaster response.

FEMA is reaching out to our partners in other Federal, tribal, State, and local agencies and building better relationships with the non-profit and private sectors. As you are aware, the worst time to build relationships is during a disaster.

In FEMA's opinion, the private sector should continue and build upon efforts in several key areas:

1. Developing strong business continuity plans for all of their locations and critical data centers.
2. Develop employee support plans for when their employees' office locations are damaged or if their employees have lost their homes to disaster. A key element of recovery is getting people back to work as quickly as possible.
3. Engage in prudent risk management practices and have strong health and safety programs.

4. Work closely with their local emergency managers, first responders and elected officials to be involved in disaster planning and to build protocols to assist with recovery efforts, before a disaster strikes.

5. Through business associations continue to work with state emergency management and FEMA to support mitigation activities, preparedness planning, disaster response, donations management, and recovery efforts.

6. Engage private sector partners through planning, training, and exercise activities. The resulting relationships and shared vision can only help to strengthen our nation's preparedness.

FEMA appreciates the relationship we are developing with the Chamber, BRT and BENS and believe this ongoing dialog will produce an improved flow of information and support before, during and after an event. It is the work and resources we expend on this planning now, before a disaster, that will pay dividends later in a faster recovery and a more resilient nation. We cannot wait until a disaster occurs to exchange our business cards and the private sector understands that it cannot just show up on game day and expect to play without coming to the practices.

One of the most important lessons learned from the 2005 hurricane season is that in order to ensure a successful, robust, and coordinated response we must work together on all critical fronts, horizontally and vertically, across the full spectrum of emergency management, including government, private sector, non-profit organizations and our citizenry.

Thank you for the opportunity you have afforded us today to speak about the new FEMA. I look forward to addressing your questions.

Mrs. CHRISTENSEN. And now I recognize Mr. Hickey to summarize his statement for 5 minutes.

**STATEMENT OF J. MICHAEL HICKEY, VICE PRESIDENT, GOVERNMENT AFFAIRS, VERIZON; MEMBER, HOMELAND SECURITY TASK FORCE, U.S. CHAMBER OF COMMERCE**

Mr. HICKEY. Madam Chair, Ranking Member Dent, good morning. My name is Mike Hickey. I am Vice President of Government Affairs for National Security Policy for Verizon.

Industry and government partnerships start with the actions of individual organizations. Mr. Dent, you mentioned that 85 to 90 percent of this country's critical infrastructure is owned and operated by the private sector. And as a result of that, the private sector must devote the resources necessary to secure our physical cyber and human assets.

At Verizon, we have designed and built network facilities that are robust and resilient. We have embraced sound practice security methods and procedures. And we have provided leadership to industry and government partners.

Beyond Verizon, the communications sector has a long history of cooperation in times of crisis. Our relationships are built on cooperation and trust and tied to the DHS-based national communications system, which is our sector-specific agency.

Since 1984 we have been resident at the NCS National Coordinating Center for Telecommunications. And our mutual aid agreements have provided great strength in responding to ice storms, earthquakes, the wreckage of 9/11, and the devastating hurricanes of 2004 and 2005.

The communications sector is one of but 18 critical sectors identified by DHS. The complexity of cross-sector interdependencies was recognized in the 2006 National Infrastructure Protection Plan. That plan required that critical sectors stand up coordinating councils and undertake and publish sector-specific plans, and we have accomplished that. And what it has done is actually increase the diversity of sector membership so that instead of just wireline and

wireless companies, we now have cable satellite, undersea cable, public broadcasting broadcasters, and other organizations at the table working with us on national security.

A good example of interdependent work is our work with the IT and financial services sector. We have undertaken a pandemic preparedness study, looking at last minute congestion issues, and we have been working on that for a number of months, and that soon will be published.

Industry and government must also partner to achieve solutions that are meaningful, adaptable, and sustainable. What cannot be underestimated by policymakers is the enormous amount of private-sector resources that are being devoted to achieving greater effectiveness with government partners in securing our country's critical assets, and sound progress is being made.

For instance, the National Security Telecommunications Advisory Committee, established in 1982, provides a clear example of how industry and government have advanced Presidential-level recommendations around national security and emergency preparedness communications. A recent 10-day communications exercise, ESF 2 exercise in New Orleans, brought Federal agency personnel and State and regional and local emergency response personnel together to exercise, to train, and really just to get to know each other, each other's responsibilities, roles, and jurisdictions.

The National Communications System, the FCC Homeland Security Bureau, FEMA, NTIA and GAO participated. And private-sector planning resources and expertise was injected to achieve greater depth and realism in the initiative.

Finally, organizations such as the U.S. Chamber of Commerce and the Business Roundtable contribute resources to countless partnerships with government at all levels.

The U.S. Chamber's Pandemic Preparedness Initiative has brought government and industry expertise together to plan, to organize, and to share critical ideas and approaches. In their business, Ready Business summits that Mr. Fontes referenced with DHS have engaged small- and mid-cap companies to encourage preparation for a wide range of emergencies.

Almost 6 years have passed since 9/11. During that time, much has been accomplished by industry and government sectors in achieving more effective emergency preparedness and response for our country and for our citizens. Yet significant work remains.

For instance, meaningful industry and government partnerships are created not just through solid planning, but by testing operational readiness and exercising together. The early insertion of the private sector in terms of our ideas and expertise and training exercises brings greater meaning to such programs, whether at the local or regional level or in the development of national exercises such as TOPOFF 4.

Recent administrative and legislative reorganizations at DHS have moved functions and missions and created new structures and offices. For instance, the Office of Emergency Communications and the enhanced role of FEMA streamlined interagency cooperation and communication channels will help us in the private sector understand relationships and work more effectively with government. In addition, my sense is that FEMA, really, in order to encourage



a stronger link with the private sector at the regional level, should find additional funding to make sure that private-sector outreach is out there and active.

Private access to disaster sites is critical for private-sector emergency responders to enable them to recover, repair, and reconstitute critical communications infrastructure essential for national security communications. Warren Act language that designates telecommunication companies as essential service providers entitles them to unimpeded access to disaster sites to the greatest extent practicable.

Despite this helpful new designation, government authorities have the discretion to deny access when they determine it is not practicable. Thus, additional changes to the Stafford Act are needed to correct this.

Improved credentialing protocols remain a priority. DHS has developed a national ID card system that can verify identities of responders who appear at an incident scene. The Department's ID card effort is part of a two-pronged solution for credentialing that also includes defining and creating categories of emergency responders including firefighters, hazardous materials teams, and private-sector workers. As this long-term solution is being advanced, State jurisdictions are developing tailored approaches to emergency credentialing.

Industry and government partners must work to achieve short-term cross-jurisdictional solutions. Protocols and standard operating procedures for wireless shutdown and restoration have been established by the National Communications System in conjunction with industry. Because a disruption of even a portion of a cellular network could impact the public, the National Communications System has taken on the role of coordinating any actions leading up to and implementing such decisions.

Business and government partners must now educate and enlist the support of local jurisdictions to implement these protocols.

In conclusion, private—and government-sector partnerships and emergency preparedness and response remain very much a work in progress. Although stronger in quality and scope, much work remains. The real value of progress made today will be measured by the collective response to this country's next major natural disaster or terrorist attack.

If our emergency preparedness and response yields more favorable results for the security of our citizenry and our critical assets, we will know that we have been heading in the right direction. At Verizon we will continue to fine-tune our business continuity practices, our investments, and our internal protocols to build upon past successes. And yet our ultimate success is a communications provider and corporate citizen will rely on the success of our external relationships with sector peers, cross-sector allies, and government partners. We need to press ahead to better target priorities, establish trusted relationships and address gaps. Thank you.

Mrs. CHRISTENSEN. Thank you, Mr. Hickey.

[The statement of Mr. Hickey follows:]

PREPARED STATEMENT OF J. MICHAEL HICKEY

**Introduction:**

My name is Mike Hickey. I am here today representing Verizon Corporation as Vice President of Government Affairs for National Security Policy. In addition to my responsibilities at Verizon, I currently serve as Chair for the Communications Sector Coordinating Council, as Vice Chair of the Internet Security Alliance and as an active member of the US Chamber of Commerce Homeland Security Task Force. Of these organizations, the US Chamber of Commerce is unique in that it represents the breadth and diversity of American commerce. And since 2003, it has advocated for strong business engagement in matters relating to homeland security and emergency preparedness.

My comments will address efforts that business has made to strengthen this country's economic and homeland security, where it has partnered successfully with government and how we might collectively tighten our efforts to ensure greater effectiveness in the future.

**I. Tiered Approach to Operational Readiness:**

Effective industry and government collaboration starts with the actions of individual organizations. Where the private sector owns and operates 85-90% of this country's critical infrastructure, corporations like Verizon must dedicate the operations experience, resources and oversight necessary to be as self-aware and self-reliant as possible. We are obligated to our shareowners and customers to take the necessary steps to secure our physical, cyber and human assets from disruption or attack. We must continue to cooperate with peer companies and to support communications sector mutual aid obligations. We must also proactively address our interdependencies with other sectors to ensure continuity of operations in time of crisis. And we must continue to work with government agencies at the Federal, State, regional and local levels to support appropriate security and emergency preparedness initiatives.

**Strength from Within:**

Verizon's commitment to national security and emergency preparedness—grounded in corporate policy, sound business practice and hands-on experience—is long-standing and growing.

Verizon has an established policy which requires every business unit to maintain a high level of preparedness, consistent with the company's unique role in furnishing critical telecommunications and information services to the Federal government, to State and local government, to many of this country's largest corporations and to the general public. The policy requires business units to establish and maintain continuity of operations and management plans which may be used to maintain and restore critical services under conditions ranging from local emergencies to widespread disasters.

Where individual business units have an obligation to create, manage, certify and test business continuity programs at the ground level, a governance structure has been implemented to ensure corporate-wide effectiveness in operational and security practice.

In order to ensure the continuity of its own operations and to meet the requirements of its critical customers in time of crisis, Verizon has:

- Designed, built and managed network facilities that are robust and resilient;
- Embraced "best practice" business methods and security procedures;
- Created and tested business continuity and emergency preparedness programs that have served the corporation and its customers in times of stress;
- Responded successfully to a wide range of crises; and,
- Provided leadership strength to industry and government organizations dedicated to national security and emergency preparedness.

**Sector Leadership and Collaboration:**

Verizon, and its peer companies within the Communications Sector, have a long history of cooperation in time of crisis. This history distinguishes the Communications Sector from most other critical sectors identified in the National Infrastructure Protection Plan. The sector personifies cooperation and trusted relationships that have resulted in the delivery of critical services when emergencies and disasters occur. The Sector Specific Agency for the Communications Sector is the National Communications System (NCS) within the Department of Homeland Security's National Cyber Security and Communications Division. The Federal Communications Commission is emerging as another important government partner for the sector.

Historically members of the Communications Sector have been regulated at State and Federal levels. They have partnered closely among themselves and with the Federal government since the establishment of the National Coordinating Center for

Telecommunications. In 1982, telecommunications industry and Federal Government officials identified the need for a joint mechanism to coordinate the initiation and restoration of national security and emergency preparedness telecommunications services. In 1984, Executive Order 12472 broadened the NS/EP role of the National Communications System and created the National Coordinating Center for telecommunications as a central public-private sector organization to coordinate response to emergency communications situations.

The use of mutual aid agreements between industry signatories has afforded Communications Sector businesses with access to expanded operational capacity and resources to speed recovery. These mutual aid agreements worked very effectively over the years, in responding to ice storms and earthquakes and in the aftermath of the hurricanes that devastated vast numbers of Gulf Coast communities in 2004 and 2005.

#### **Cross-Sector Relationships:**

Verizon recognizes its critical operational reliance on other business sectors such as electric and water and has established the necessary vendor relationships to meet both normal and extraordinary continuity of business requirements. In turn, all critical sectors are heavily reliant on the Communications Sector to support continuity of their operations.

The complexity of cross sector independencies was recognized in the 2006 National Infrastructure Protection Plan, resulting from Homeland Security Presidential Directive 7. HSPD-7 focused on the identification, prioritization and protection of the nation's critical assets. It required the development of the National Infrastructure Protection Plan (NIPP) and corresponding Sector Specific Plans.

Perhaps most significantly, the NIPP encouraged the establishment of sector coordinating councils. In so doing, it brought greater sector diversity to the table and significantly advanced the institutional capacity of sectors to formally and proactively address cross-sector dependencies. As an example, the Communications and Information Technology Coordinating Councils operate independently, but in close alignment with each other.

Currently, the Communications, IT and Financial Services Sectors are working with the National Communications System to review the potential consequences of predicted, extraordinarily high telecommuting levels on network access resulting from social distancing protocols during a Pandemic Influenza. The outcomes of this review should be useful to government and business planners and to the public at large. This typifies the utility of these newly established sector coordinating councils and their ability to plan and coordinate across sector bounds.

#### **Partnerships with Government:**

Today's all-hazards threat environment poses significant leadership and resource challenges for the private sector, which as highlighted earlier, owns and operates the vast majority of this country's critical assets. Operating successfully in this environment includes being prepared to respond to threats that are both natural and man-made. With ever-changing technology and marketplace demands, business must remain agile in order to adjust business practices and technology solutions to protect its most critical assets.

Government-imposed solutions may hinder the ability of business to adapt and respond effectively to the changing threat environment. So it becomes critical for business and government to work collaboratively towards solutions that are meaningful, adaptable and sustainable. The voluntary development of and compliance with "best/sound practice" approaches to physical and cyber security is a model that is time tested. It is illustrated through the work of the Federal Communications Commission Network Reliability and Interoperability Council. The NRIC is a successor to the National Reliability Council, first established in 1992. Through the work of seven successive councils, subject matter experts from business and government have come together to address network reliability and interoperability issues of concern, develop best/sound practices and encourage voluntary adoption.

The National Security Telecommunications Advisory Committee, established in 1982, provides another relevant example of how the private sector can assist and help direct government decisions around national security and emergency preparedness communications. This advisory committee to the President brings together 30 industry chief executives representing major telecommunications companies, network providers, information technology companies, finance and aerospace businesses. NSTAC provides industry-based advice and expertise to the President on a wide range of telecommunications issues regarding communications, information security, information assurance, critical infrastructure protection and other national security and emergency preparedness issues.

IN SUMMARY, this tiered approach to business continuity and emergency preparedness—one that builds on internal readiness and reliance on effective business and industry partnerships, continues to meet Verizon's operational and customer requirements. It has also advanced this country's emergency preparedness and response capabilities.

## II. Broader Private Sector Initiatives:

Outside of the Communications Sector, numerous trade associations and national organizations such as the US Chamber of Commerce and Business Executives for National Security (BENS) have advanced emergency preparedness and response initiatives with government. These organizations provide companies like Verizon an opportunity to confer with industry and government leaders, share best/sound practices, better understand cross-sector complexities and train and exercise with industry and government partners.

The US Chamber of Commerce Homeland Security Division works to ensure that the Department of Homeland Security and Congress effectively strike the right balance between homeland security and the openness and mobility critical to the nation's economy. The Division is comprised of 170 representatives from 135 member companies, associations, and State and local chambers. It has advanced the following initiatives:

- **Ready Business Summits:** Worked with DHS to engage small and mid-cap companies to ensure pro-active preparation for all types of emergencies. Currently hosting a series of *Ready Business* Summits around the country in partnership with State and local chambers to broaden awareness of DHS *Ready Business* initiatives, tools and resources available for emergency planning.
- **Pandemic Preparedness:** Convened a pandemic planning work group (45 companies) to address pandemic policy issues and to provide private sector input into government strategies. Currently hosting regional business pandemic preparedness roundtables with DHS and the Centers for Disease Control and Prevention (CDC) to discuss the role of the business in pandemic planning and response. Planning legal and HR-related pandemic seminars in conjunction with DHS.
- **Critical Infrastructure Protection/Information Sharing:** Launched a project with DHS to fully engage the private sector with State homeland security directors. This initiative is intended to institutionalize private sector participation in State fusion centers and homeland security departments and in all aspects of planning, training and exercises.
- **Strategic Engagement with DHS:** Currently reviewing the Private Sector Annex of the National Response Plan which addresses private sector coordination and integration. Invited to participate in the TOPOFF 4 exercise in October. Connecting Chamber members with FEMA to help strengthen the FEMA disaster logistics supply chain.
- **Public-Private Partnership with the Intelligence Community:** Scheduling briefings with the Office of the Director of National Intelligence (ODNI) on issues of mutual, long-term strategic interest, but not limited to: China; global energy market challenges; insider threats from terrorism; India and failing states and the erosion of national sovereignty.
- **Supply Chain Security:** Helped advance port and supply chain security legislation (the SAFE Port Act). Will co-host, together with BUSINESS EUROPE, a September transatlantic security summit focused on shared security challenges such as supply chain security. The summit will feature high-level participation by government and business leaders in the EU and the U.S.
- **Iraq Sourcing Initiative:** Partnering with the Institute for Defense and Business to support the DOD Task Force to Improve Business and Stability Operations in Iraq.
- **National Guard and Reserve:** Worked with the Commission on the National Guard and Reserves to help provide businesses the needed predictability to plan for when and how long their employers may be called up. Coordinated with the Employer Support of the Guard and Reserve (ESGR) Defense Advisory Board to strengthen the compact between employers and the Reserve Component.

IN SUMMARY, these US Chamber of Commerce initiatives provide just a sampling of the work that is underway by the private sector to strengthen this country's emergency preparedness and response capabilities. Business Executives for National Security also provides effective cross-sector forums for advancement of leading edge approaches to these critical issues.

What cannot be underestimated by policymakers is the enormous amount of private sector resources that are being devoted to finding solutions—with government

partners—designed to achieve greater effectiveness in our country's security and response programs. The private sector has demonstrated its willingness to commit significant financial resources and expertise to strengthen critical business practices. At the same time, it has dedicated time and energy and expertise to its work with government partners to address emerging legal and regulatory considerations. A key business concern is to not become encumbered by unnecessary oversight and controls that may restrain, rather than encourage, innovative solutions to emergency preparedness and response.

**III. Working Towards Greater Effectiveness:** Almost six years have passed since 9–11. During this time, much has been accomplished by private and Government sectors in achieving more effective emergency preparedness and response for our country and its citizens. Yet significant work remains. In the months ahead, it will become even more essential for partners to carefully prioritize initiatives, ensure that real partnership cooperation and inclusion is achieved and that critical pieces of “unfinished business” are addressed.

**Interagency and Private Sector Cooperation at the Regional and Local**

**Level:** In Homeland Security Presidential Directive 5 (HSPD–5), the President directed the establishment of the National Incident Management System (NIMS) and the National Response Plan (NRP) to align Federal coordination capabilities and resources into a unified, self-disciplined and all-hazards approach to domestic incident management. The basic premise of the NRP is that incidents are generally handled at the lowest jurisdictional level possible.

In recent weeks, a ten-day ESF–2 (the Communications Support Function annex to the National Response Plan) exercise, training program and technology demonstration took place in New Orleans. It was designed to bring Federal agency personnel and State, regional and local emergency response personnel together to exercise, train and become better acquainted with agency roles, responsibilities and resources. It also brought in the private sector to help plan and participate in an active and meaningful way.

The program mustered personnel and resources from agencies such as the National Communications System, the Federal Communications Commission's Homeland Security Bureau, FEMA and GAO. Other agencies had more limited representation. The initiative achieved success from many standpoints—especially in bringing critical Communications Sector representatives together to establish relationships and to clarify roles and responsibilities.

This approach is crucial—especially as Federal agency personnel work to establish a lasting presence at the local and regional level. The private sector must be viewed as intrinsic to such training and exercise programs, not as an understudy. The private sector resources and expertise brought to bear in the New Orleans exercise made that program more meaningful to all.

And the presence of key federal agencies encouraged a better understanding of how Joint Field Office programs and leadership can work together in time of crisis.

From a broader perspective, meaningful business and government partnerships are created not just through dialogue and planning, but by testing operational readiness and exercising together. The early insertion of private sector ideas and expertise in training exercises brings greater meaning to such programs—whether at the local and regional level or in the development of national exercises such as TOPOFF 4.

**Coordinated Private Sector Outreach:** The Department of Homeland Security has been well-served by both its Private Sector Liaison office and by the Infrastructure Protection Partnership and Outreach office. These offices have been visible and accessible, while being proactive in bridging the private sector with the work of the Department on issues ranging from information sharing to pandemic planning. At the same time, they have worked with limited resources on an unlimited stage. As a result, their combined impact has been educational in nature, rather than being operationally focused.

As additional resources are devoted to standing up Department programs at the regional level in support of Joint Field Office requirements, agencies such as FEMA must create stronger private sector outreach and coordination capacity that will encourage and sustain private sector participation over the long term. Such efforts will yield stronger private sector interest and resources that can be leveraged in agency emergency preparedness and response programs.

I am happy to report that FEMA Administrator, David Paulison and his regional administrators are taking this public/private partnership seriously. As an example, senior leaders from Verizon's regional offices have recently met with the senior leadership from the FEMA Region 1 (Boston) and FEMA Region 6 (Denton, TX) offices in an effort to further develop already-existing disaster preparedness relationships.

The goal of these meetings has been for FEMA to better understand Verizon's capabilities in time of crisis so that the public sector has a better knowledge of what the private sector has to offer by way of response, recovery and restoration capabilities. Likewise, Verizon has been able to more clearly understand FEMA's operational needs, as a result of these discussions.

**Renewed Focus on "Unfinished Business":** Much has been accomplished by business and government partners to address emergency preparedness and response issues raised by actual events. In some instances though, jurisdictions have established localized "model" programs to improve response capacity that are not adopted in neighboring jurisdictions. In other instances, broader solutions have been developed that have failed to garner the necessary multi-jurisdiction to make them effective.

**Access and Credentialing:** Priority access to disaster sites is critical for private sector emergency responders to enable them to recover, repair, and reconstitute critical communications infrastructure essential for NS/EP communications. There is a provision in the WARN Act designating telecommunications companies as "essential service providers," which entitles them to unimpeded access to disaster sites "to the greatest extent practicable."

However, because such access will only be allowed to the greatest extent possible, government authorities have the discretion to deny access when they determine it is not "practicable." It is unclear whether such discretion can be challenged, and this provision is not a panacea to the access problems exposed in the aftermath of Katrina. This priority issue requires additional work effort for both business and government partners. Moreover, as the Katrina experience indicated, telecommunications and other utility providers need resources as well as access to effectively restore services. Additional changes to the Stafford Act are needed to correct this.

Credentialing is a related issue that requires additional attention. At the Federal level, DHS has developed a national identification (ID) card system that can verify identities of responders who appear at an incident scene. The Department's ID card effort is part of a two-pronged solution for credentialing that also includes defining and creating categories of emergency responders, including firefighters, hazardous materials teams, and private sector workers. While this is viewed as a long term solution to emergency credentialing, state jurisdictions are developing localized approaches. Business and government partners must press ahead now to achieve cross-jurisdictional, short-term solutions.

**Wireless Shutdown and Restoration Protocols:** Given the rise in terrorist activity in the past few years, and an incomplete understanding of the technology involved in such activities, certain government authorities have, in certain circumstances, wondered whether the need may arise to disrupt or disable access to cellular service within a particular geographic area in the name of public safety. Because a disruption of even a portion of a cellular network would impact the public, the National Communications System (NCS) has taken on the role of coordinating any actions leading up to and implementing such decisions. Business and government partners must now educate and enlist the support of local jurisdictions to implement the protocols.

**Better Coordination in Crises:** The Katrina experience demonstrated the need for improved coordination, cooperation and communication at and among all levels of government. Recent administrative and legislative reorganizations at DHS have moved functions and missions across components and created new structures and offices (for example the Office of Emergency Communications, enhanced role of FEMA etc.). It remains to be seen if all these changes will be effectively and efficiently implemented by the time the next disaster strikes.

IN SUMMARY, private and government sector partnerships in emergency preparedness and response remain a work in progress. Although stronger in quality and scope, much work remains. The real value of progress made to date will be measured by the collective response to this country's next major natural disaster or terrorist attack. If our emergency preparedness and response yields more favorable results for the security of our citizenry and our critical assets we will know that we have been heading in the right direction.

At Verizon, we will continue to fine tune our business continuity practices, our investments and our internal protocols to build upon past successes. And yet our ultimate success as a communications provider and corporate citizen will rely on the success of our external relationships with sector peers, cross-sector allies and government partners. We need to press ahead to better target priorities, establish trusted relationships and address gaps.

Mrs. CHRISTENSEN. I now recognize Mr. Howard to summarize your statement for 5 minutes.

**STATEMENT OF JOHN HOWARD, SENIOR VICE PRESIDENT  
AND GENERAL COUNSEL, W.W. GRAINGER, INC.**

Mr. HOWARD. Thank you. Madam Chair, Ranking Member Dent, members of the subcommittee, it is a privilege for me to appear here today on behalf of W.W. Grainger, Inc. and the Business Roundtable to address the role of the private sector in strengthening emergency preparedness and response.

The subcommittee is to be commended for its vigilance in pursuing more effective emergency response and preparedness and promoting the role of the private sector. This is important work in an era of enormous challenge. Richard Keyser, Chairman and CEO of Grainger is also Chairman of the Business Roundtable's Partnership for Disaster Response. Through this initiative, some of the leading companies in the United States have joined together to help coordinate resources at the private sector so that they can respond more effectively to disasters both large and small.

The Business Roundtable seeks to leverage the resources and expertise of its members to create a more efficient response to disasters. The Roundtable stresses that the business community must take three steps: prepare, respond and recover. These three things are necessary to assist the first responders and the organizations that provide relief and help rebuild. This mission is critical to the well-being of the Nation's citizens and the vitality of our economy.

My testimony addresses Grainger's and the Business Roundtable's efforts to assist emergency preparedness and response. Grainger provides small and large businesses, institutions, and government agencies a broad range of products and supplies—at last count, more than 160,000 different products that they need to run their businesses and maintain their operations. Whether it be tools or hardware, lighting or pumps, motors or safety devices, our day-to-day objective is to help our customers save time and money by providing them the right products to keep their facilities up and running.

While each customer has a different problem to solve, every one of our customers shares the same requirement. When they need one of our products, they need it right away. We have over 17,000 employees and over 600 branches and distribution centers to accomplish this goal. Our commitment to assist emergency response is directly related to our core business, delivering the right products when and where they are needed.

Grainger and other members of the Business Roundtable have watched a world that has experienced the devastation and horror of terrorist attacks and natural disasters. Our customers, our communities, and our employees are the ones affected. For Grainger and the Business Roundtable, we understand how critical it is to get the right supply to the first responders. This cannot be left to chance.

An extensive amount of planning and work, preparedness, if you will, is necessary to make this happen. It is because the experience of the Roundtable launched the Partnership for Disaster Response. Through the partnership, we were able to capitalize on the private sector to accelerate on-the-ground relief and recovery activities. The partnership fosters public-private collaboration to prepare for the health, social, and economic challenges created by disasters.

The partnership also works to ensure that the business community's response helps address the community's most critical needs by mobilizing the unique and diverse assets of our member companies. At Grainger, when a community is hit by disaster, we work with State and local governments and FEMA to get supplies to first responders. We also work closely with the American Red Cross. Since 2001, Grainger has partnered with the Red Cross, other relief organizations, and local governments to provide financial support and essential products to disaster areas.

We are a founding sponsor of the American Red Cross Ready When the Time Comes program. Through this program, local Red Cross chapters work with the business community to recruit and train corporate employees as volunteers in advance of a disaster. When a disaster strikes, the Red Cross can then mobilize this pre-existing network of well-trained volunteers. So, whether distributing water in severe heat waves, providing meals, assisting families, or participating in emergency drills, we are proud of all the employees both at Grainger and at other companies who volunteer for this very important work.

To date, the Red Cross is training Grainger employees and major companies. We are particularly pleased more than 60 companies have now joined this effort, and today we have more than 1,600 employees who have been trained to respond to help their local communities when a disaster strikes. These volunteers truly are ready when the time comes.

Grainger's product line, our distribution facilities, and our extensive knowledge base makes it so that we are quickly able to bring expertise and assistance where needed.

We have several event-specific plans to mobilize internal and external resources to assist first responders and relief organizations. These plans focus on two primary objectives: handling incoming requests and managing logistics to distribute the unit supplies as quickly as possible.

In all cases, FEMA, State and local governments, and first responders receive first priority. Grainger's efforts include research on products' critical and specific emergencies. For example, after a flood we know that pumping equipment will be vital. During a wildfire, safety and fire-retardant material will be at a premium. We work closely with the manufacturers who supply these products to secure and load the supply chain to make sure that we can respond quickly to provide the items at highest demand. In some cases, we ask our suppliers to carry extra inventory or even reserve manufacturing capacity specifically for these vital products.

During and after an emergency, we provide special services. Our branches stay open 24 hours a day, and additional personnel are brought in from around the country to take orders, assist customers, and load trucks. Within hours of an emergency, trailers containing these critical products are dispatched to support the relief effort.

Here, our advanced planning pays off. The contingency plans with our employees and our suppliers allow us to expedite tools and supplies to the sites. Based on our experience, success in getting the right products to an emergency location requires three factors: first, processes that are flexible and user friendly; second is



an understanding of the range of emergency circumstances and knowing what products will be required; third is secured reliable supply chains.

It is these in types of efforts that the Business Roundtable's Partnership for Disaster Recovery brings to the private sector so it can put resources to work in time of need. In October 2006, the partnership launched a comprehensive information clearinghouse to help the business community better prepare and respond to disasters. The clearinghouse is one way to show companies how to integrate disaster planning into the business continuity plans. The partnership also provides guidance on ways to communicate with employees about disaster preparedness.

Again, advanced planning is one way to help ensure that there are effective disaster relief and recovery efforts. With the commencement of the most current hurricane season Grainger's CEO Dick Keyser communicated with the CEOs of all 160 Roundtable member companies, encouraging them to use the partnership's resources to be better prepared to respond to disasters.

Highlighted was a need for advanced planning and educating the workforce about what they can do as individuals. It is critical that all of us—employees, businesses and communities—understand what it takes to be ready when the time comes.

This completes my statement. Grainger and Business Roundtable share your commitment to enhancing emergency preparedness and response. We look forward to, working with the subcommittee. Thank you.

Mr. CUELLAR. [Presiding.] Thank you again for your testimony. We appreciate your being here.

[The statement of Mr. Howard follows:]

PREPARED STATEMENT JOHN HOWARD

#### **Introduction**

On behalf of both W.W. Grainger, Inc. and Business Roundtable's Partnership for Disaster Response, I would like to thank the subcommittee for this opportunity to talk with you today.

W.W. Grainger, Inc. is a leading broad line supplier of facilities maintenance products serving businesses and institutions in the United States, Canada, China, and Mexico. Through a highly integrated network including nearly 600 branches, 18 distribution centers and multiple Web sites, Grainger's employees help customers get the job done, saving them time and money by having the right products to keep their facilities running.

In May of this year, Richard Keyser, Chairman and CEO of W.W. Grainger, Inc., became chairman of Business Roundtable's Partnership for Disaster Response, an initiative to coordinate the resources of the private sector to respond more effectively to disasters.

Business Roundtable is an association of chief executive officers of leading U.S. companies with over \$4.5 trillion in annual revenues and more than 10 million employees. The Roundtable launched the Partnership for Disaster Response a little more than two years ago following the devastating tsunami in Asia and the subsequent outpouring of contributions from the business community. Even though companies contributed generously—cash, products, services and expertise—Roundtable CEOs saw a need to create a more coordinated effort to prepare for and respond to catastrophic disasters. Twenty-five CEOs—from across various industries—have joined forces as members of the Partnership for Disaster Response Task Force to leverage their corporate resources and expertise to create a more efficient response to disasters.

The Partnership aims to capitalize on the many capabilities of the private sector to accelerate on-the-ground relief and recovery activities to help save lives. The Partnership works to foster public-private collaborations to prepare for the health, social and economic burdens created by disasters in the United States and abroad.

The Partnership also works to ensure that the business community's response efforts address a community's most critical needs, by mobilizing the unique and diverse assets of our member companies.

The U.S. private sector, which owns and operates nearly 85 percent of the nation's critical infrastructure, has myriad resources useful in disaster preparedness and critical for disaster response. These range from basic necessities such as food and safe drinking water to communications and energy networks, as well as logistics and technical expertise.

Grainger's participation in the Partnership is particularly fitting given Grainger's product mix and distribution capabilities. Grainger helps customers—primarily businesses—find the right products to keep their facilities operating. We do this every day as well as in the event of an emergency. Grainger can move critical items into hard-hit areas fast. Our support helps customers get back to business—and that helps bring their communities back too. We know that getting commerce up and running is vital to a community's recovery from a disaster.

#### **Public/Private Collaboration**

Typically, in a disaster Grainger works together with state and local governments and FEMA around disaster situations to get needed product into first responders' hands.

Our company works closely with the American Red Cross as well, providing them products and financial support. Since 2001, Grainger has partnered with the Red Cross to provide more than \$4 million worth of financial support and essential products. Grainger makes significant product donations to relief organizations beyond the American Red Cross and to municipalities affected by disaster.

In addition to philanthropy, we are especially proud that Grainger is the national founding sponsor of the American Red Cross *Ready When the Time Comes (RWTC) Program*. Through this program, local Red Cross chapters collaborate with businesses in their area to recruit and train corporate employees as volunteers. When a disaster strikes, the Red Cross can quickly mobilize this network of well-trained corporate volunteers. Grainger both promotes the program to other companies and arranges for our own employees to be trained in disaster relief.

Through *Ready When the Time Comes*, Grainger employees and their family members around the country, ages 18 and older are trained as volunteers to help support local disaster relief efforts. These corporate volunteers staff call centers at their local Red Cross chapter, assist with mass care sheltering and feeding operations, and conduct damage assessments. In addition, Grainger calls upon other companies to get involved with corporate volunteer programs in disaster relief. The Red Cross then trains these volunteers.

To date, The Red Cross has trained more than 700 Grainger employees as volunteers in Chicago, Denver, Tampa, St. Louis, Kansas City, MO, Houston, New York, Baltimore, Orange County, CA and San Francisco.

We are pleased that more than 60 companies have joined this innovative volunteer program and today more than 1,600 employees have been trained to respond to help their local communities when a disaster strikes.

For example, Grainger's and other companies' employees have been called upon to:

- Distribute bottled water following a severe heat wave in Baltimore in June 2007.
- Staff a shelter and serve meals and snacks from an emergency response vehicle in New York, following storms in April 2007.
- Assist families in Kansas City during ice storms and again following a chemical fire in January and February 2007.
- Staff phone centers in Chicago and Denver to answer questions from those seeking support and information following Hurricane Katrina in September 2005.
- Participate in a state bioterrorism response exercise in Illinois in 2003.

#### **Planning to Bring Business and Communities Back**

Grainger serves approximately 1.8 million businesses and institutions across North America and they operate a range of facilities. Many of the products we carry are essential for our customers' preparation for and response and recovery efforts after a disaster.

Grainger has developed robust plans for almost every type of emergency situation—winter storms, floods, earthquakes, tornadoes, power outages, wildfires and hurricanes—that causes a disruption of business. We help our customers plan to protect their employees and their business with the necessary supplies.

In the event of a disaster or an emergency, Grainger has developed a series of event-specific plans to quickly mobilize internal and external resources to assist communities in trouble.

Grainger's workforce is trained in our procedures to first and foremost locate and ensure the safety of our employees and secure Grainger's infrastructure. Then, our employees reorganize into cross-functional teams designed to serve our customers, especially the many emergency responders, municipalities and critical institutions such as hospitals.

Our teams focus on two primary areas: handling incoming requests from customers and managing logistics in order to quickly distribute needed products. In all these cases, requests from FEMA, municipalities and first-responders are given priority.

During and after an emergency, Grainger provides special services to our customers and their communities. The Grainger branches frequently stay open 24 hours (unless curfews are imposed by local authorities) and additional personnel are brought in to take orders, assist customers at the counter, and load trucks. Our Call Centers are able to accept phone orders 24 hours a day. Within hours of an emergency, trailers containing critical products are dispatched to support the relief effort. Contingency plans with our suppliers allow us to expedite additional equipment to the sites.

Given our line of business, we must be flexible and nimble in working with our customers to understand and address the unique set of challenges a disaster wreaks on their business. For example, after Hurricane Katrina, Grainger expedited equipment and supplies to government agencies and local companies to help repair an infrastructure that had been devastated.

#### ***Making Sure our Products are Ready***

Grainger has conducted detailed research on products that are critical after specific types of disasters. For example, after a flood, pumping equipment is vital. After a wildfire, safety and fire retardant materials are at a premium. Grainger works closely with manufacturers to secure and load the supply chain to ensure that we can respond quickly to provide items in high demand. In some cases we have asked our suppliers to carry inventory or reserve manufacturing capacity for vital products.

Grainger has been successful in getting the right products to just about any location in the country facing an emergency, sometimes within a matter of hours, because of three key factors. First, we have the right processes in place. Next, we have done the research to know what products will be needed. Finally, we plan well so have secured supply chains that enable us to quickly and efficiently distribute our products.

A good example of how we work concerns the gasoline powered portable generator, a piece of equipment in high demand after a disaster or in an emergency, particularly a power outage. The generator is essential to support businesses, hospitals and emergency shelters. Grainger worked directly with Briggs and Stratton, the company that manufactures the generator to secure the supply chain on the equipment.

This past winter, that forethought and collaboration with Briggs and Stratton enabled Grainger to move more than 2,000 generators to customers in St. Louis within 24–28 hours of power outages due to ice and snow storms.

Grainger's expertise in disaster response has been honed over time. We learned quite a bit during and after the terrorist attacks of September 11, 2001 and we strengthened our own emergency planning process after that experience. We supplied a crew of more than 30 people working hand-in-hand with local providers and FEMA and local authorities to get supplies to emergency workers and rescuers at the World Trade Center site.

When we do have some notice about a disaster, like a hurricane, Grainger prepositions trailers of product including some items that Grainger does not typically carry. During hurricane season, Grainger's Jacksonville distribution center is a hub of activity. Grainger tracks weather conditions and conducts pre-storm conversations on a daily or sometimes hourly basis so we know when to begin loading trailers and stocking products including pallet-loads of water, large emergency generators, first aid kits, cots, blankets and emergency food rations.

#### ***The Partnership in Action—Providing Resources and Information***

The Business Roundtable's Partnership for Disaster Response and its companies serve as a valuable resource, helping companies and their employees better prepare for and respond to disasters. In October 2006, the Partnership launched [www.respondtodisaster.org](http://www.respondtodisaster.org), the first comprehensive clearinghouse of information to help the business community better prepare and respond to disasters. The Web site features commonly requested information and valuable tools on how companies can

better integrate disaster planning into their business continuity plans, communicate to their employees about disaster preparedness and response and contribute effectively to disaster relief and recovery efforts.

Dick Keyser, Grainger's CEO and the Chairman of the Partnership, sent a letter to the CEOs of all 160 Roundtable member companies on June 1, 2007 the start of hurricane season, encouraging them to use the resources the Partnership had developed to help the business community more effectively prepare and respond to disasters. He highlighted the fact that advance planning and educating a company's workforce about preparedness can help protect employees, businesses and communities and reduce the impact of a disaster.

#### **Conclusion**

Thank you again for this opportunity to talk with you about the work of Grainger and the Partnership for Disaster Response. We look forward to continuing to work with the Administration, Congress and state and local government to enhance our nation's disaster response system. Working together—business, government, relief agencies and many others—we will continue to be vigilant in preparing our businesses, our employees and our communities for a disaster.

Mr. CUELLAR. At this time, I will recognize Mr. Dinvaut, Sr. to summarize his statement for 5 minutes.

#### **STATEMENT OF BARRY DINVAUT, SR., CEO, DINVAUT'S TRUCKING SERVICE INC.; MEMBER, NATIONAL BLACK CHAMBER OF COMMERCE**

Mr. DINVAUT. Good morning, Mr. Chairman and members of the subcommittee. My name is Barry Dinvaut, Sr. I am the President and Chief Executive Officer of Dinvaut's Trucking Service. Thank you for inviting me to Washington in order to testify before you on the state of recovery of New Orleans and the gulf coast.

Dinvaut's Trucking Service has enjoyed serving businesses in the State of Louisiana for 30 years. Based in New Orleans, DTS has grown from a small trucking company doing general hauling and sugarcane to a premiere hauling and demolition, hazardous waste transportation and construction firm. For 10 years DTS has been serving a major part of the Federal sector with the help of the Small Business Administration under the 8(a) certification program. We have extensive experience working for many parts of the Federal Government, including the Environmental Protection Agency, the Army Corps of Engineers, Federal Emergency Management Agency and the Department of Homeland Security. These jobs include but are not limited to Gentilly Street, EPA Superfund job working with the Corps of Engineers.

Since Katrina I have also done debris hauling, demolition and goods removal for the Environmental Chemical Corporation, ECC, who is a contractor for FEMA. This is an ongoing project which supports the recovery of the lower Ninth Ward and the return of New Orleans citizens to their homes.

Throughout the years, the business of Dinvaut's Trucking Service has enjoyed the support of many of the organizations which includes the Black Chamber of Commerce, the Louisiana Economic Development, LAPAC, City of New Orleans, National Association of Minority Contractors, and SBA.

We are also certified and permitted with the following agencies: the Interstate Commerce Commission, USDOT, Federal Highway Commission, EPA Superfund, and Louisiana Department of Environmental Quality.

Although Dinvaut's Trucking Service was severely impacted by the events of Hurricane Katrina, we resumed operation in less than

2 months after the storm. Working with FEMA in the recovery of the city of New Orleans has awarded me with a great deal of knowledge and experience.

Compared to their first arrival to the present, FEMA has shown major improvement in the cleanup and recovery of New Orleans. Since the immediate aftermath of Hurricane Katrina, FEMA has continued to bring more companies with valuable real-world experience. The standards for companies to which FEMA awards their contracts have increased substantially since their first arrival in New Orleans. The information available to the public has also greatly increased, both in amount and in quality.

Another improvement by FEMA is the addition to new programs, scheduling the debris pickup into different areas other than the Ninth Ward. My experience with FEMA for the most part has been positive. The people to whom I have interacted with FEMA give me the impression that they are trying their best to make the recovery process go as smoothly as possible.

While FEMA has made many improvements since they have come to New Orleans, there are some things that they could still improve on. One of the major improvements is to hire local small business firms from the greater New Orleans area and from southern Louisiana in general. I think that the solution to many of the problems that occur with the recovery could be the resolution with better communication. There seems to be complications wherever people need to communicate between the Federal, State, and local levels. My advice would be to try to reduce more of the red tape, improved communications between levels of government and improved communications between government and the public.

In closing I would like to thank the subcommittee for their time today. I would be glad to answer any questions.

Mr. CUELLAR. Mr. Dinvaut, again I want to thank you very much for your testimony, and I want to thank all the panel members for being here.

[The statement of Mr. Dinvaut, Sr. follows:]

PREPARED STATEMENT OF BARRY M. DINVAUT SR.

Good Morning, Mr. Chairman and members of the Subcommittees

My name is Barry M. Dinvaut Sr., I am the President and Chief Executive Officer of Dinvaut's Trucking Service. Thank you for inviting to Washington in order to testify before you about the Army Corp, and the state of recovery in New Orleans and the Gulf Coast.

Dinvaut's Trucking Service Inc. has enjoyed servicing businesses in the State of Louisiana for 30 years. Based in New Orleans, DTS has grown from a small trucking doing general hauling and sugar cane to a premier haul, demolition, hazardous waste transportation, and construction firm.

For 10, DTS inc. has been servicing the major part of the federal sector with the help of Small Business Administration under the 8A certification program. We extensive experience working for many parts of the federal government including, the Environmental Protection Agency, the Army Corp of Engineers, the Federal Emergency Agency, and the Department of Homeland Security. These jobs include, but are not limited to the Gentilly St. EPA Superfund job, working with the Army Corp on the Algiers levee project, the Violet, LA levee project, the Barataria pumping stations, the Airline/310 levee project, the Williams Blvd. levee embankment, and the Intercoastal levee project.

Since Katrina, I have also done debris hauling, demolition, and white goods removal for the Environmental Chemical Corp, (ECC) who is a contractor for FEMA. this is an ongoing project which supports the recovery of the lower ninth ward and the return of New Orleans citizens to their homes.

Throughout the years of business Dinvaut's Trucking service has enjoyed the support of many organizations, which include Black Chamber of Commerce, Louisiana Economic Development, LAPAC, City of New Orleans, Natl. Association of Minority Contractors, and SBA. We are also certified and permitted with the following agencies, Interstate Commerce Commission, USDOT—Federal Highway Commission, EPA—and the Louisiana Dept. of Environmental Quality.

Although Dinvaut's Trucking Service was severely impacted by events of hurricane Katrina, we resumed operations in less than 2 months after the storm.

Working with FEMA in the recovery of the city of New Orleans has awarded me with a great deal of knowledge and experience. Compared to when they first arrived to the present FEMA has shown major improvement in the clean up and the recovery of New Orleans. Since the immediate aftermath of Hurricane Katrina FEMA has continued to bring on more companies with valuable real world experience. The standards for companies to which FEMA awards their contracts to have increased substantially since they first arrived in New Orleans. The information available to the public has also greatly increased, both in amount and also in quality. Another improvement by FEMA is the addition of new program scheduling for debris pick in different areas other than the ninth ward. My experiences with FEMA for the most part have been positive ones. The people with whom I interact with at FEMA give me the impression that they are trying their best to make the recovery process go as smoothly as possible.

While FEMA has made many improvements since they have come to New Orleans, there are some things in which they can still improve on. One of the major improvements is to hire more local small business firms from the greater New Orleans area and from southern Louisiana in general. While these small businesses have had success in procuring work for FEMA, it seems that many times that they are qualified companies who are pushed aside for the big out of state companies who know nothing about Louisiana and its culture and have no stake in the recovery of this city or this state.

I think that the solution towards many of problems that occur with the recovery could be resolved with better communication. There seems to be complications whenever people need to communicate between the federal, state, and local levels. My advice would be to try and reduce some of the red tape, improve communications between all levels of the government, and improve communications between the government and the public.

In closing I would like to thank Mr. Chairman and members of the subcommittees for their time today. I would be glad to answer any questions about FEMA, New Orleans, or explain anything I have just said.

Mr. CUELLAR. I would remind each member that he or she will have 5 minutes to question the panel. I would now recognize myself for questions.

First set of questions will go to Mr. Martinez-Fonts and to Mr. Bourne. What are the Department's plans for pursuing credentialing and access programs for private-sector essential personnel during disasters? As you know—you know, let's just put ourselves in a particular situation. You have got somebody from the private sector wants to come in. Police will stop and say, oh, can't let you in. And that, of course, disrupts the overall strategy in trying to get the private sector involved.

So could both of y'all just go ahead and address that question as how do we make that work so we can get the private sector to play a more timely, more appropriate role during disasters?

Mr. BOURNE. Mr. Chairman, I will take the first swing at that. One of the things that FEMA has been working on with our friends at the Department and State and local levels is on formalizing a credentialing process, a concept, basically common protocol for credentialing. Part of the issue is that for the vast majority of the country, it is the local governments that actually know who should be there, who shouldn't be there, especially when 90 percent of the disasters are locally based.

What we need to do is to create a platform, an understanding of common resource typing, common protocols for how credentialing should be done. Certainly the Federal Government can't maintain a gigantic database of everybody who could potentially respond and be credentialed. It is important that local and State governments do a lot of this planning.

FEMA's business management systems under the NIMS program has specifically been developing for the last 2-1/2 years a credentialing system. What we started off is resource typing, resource typing of emergency response assets first, because those are going to be first on the scene. We have got over 174 resource types and types of teams and equipment and services type.

They are now moving forward into the next phase which will also include special resource assets that include private-sector offerings, whether it be engineers or, you know, medical supplies, other types of things that can be brought in so that there is a common lexicon.

Part of the problem is—and I come from Massachusetts, and where I grew up, an ambulance was called a rescue squad. You go to another part of the country and a rescue squad is a heavy rescue vehicle with a jaws-of-life, and they don't carry patients.

We didn't even have within the emergency service community a common lexicon for the types of resources we bring in under mutual aid during disasters. We have begun that process, completed significantly the emergency management first responder portion of it, and now we are working closely to go to the next phase on the resource typing for other nongovernmental assets. That leads us to a common understanding that can allow for credentialing to exist.

What is credentialing? Essentially it is a way of understanding that the resources that are arriving at the scene, one, belong there; two, are what they say they are. Do you have, you know, the training, the certification, the understanding of the job that you are being asked to perform? But it is important—and we had stressed this—that State and local governments need to think in their planning about what kind of resources they are going to be calling through mutual aid, making sure that the business community ties into that planning early on so when those resources are tapped, they know what is coming, they are the right people, they are showing up with the right stuff.

The harder part is the unintentional or the best of intentioned volunteer. And I use that in the broader scope. Business communities, people, they just send things. That is the hard part in getting a handle on that. What we have done to try to address that is work with the Aidmatrix Foundation to funnel and channel those donational resources so that they are known to all of the folks in the emergency management chain; what is available, where it is, and who would be providing it. And that should help also in making sure that the proper access to disaster scenes is handled.

You want to add anything to that?

Mr. MARTINEZ-FONTS. Sir, there is probably very little I could add to that great explanation. But a great example is within New York City. Sadly, from the lessons learned after 9/11, the city of New York, Office of Emergency Management, has done just an outstanding job at making sure that they can get businesses back into—whether it is Verizon needs to repair something for the entire

downtown Manhattan or the Citibank group needs to get people in their building. So it is just an example of what has worked.

Mr. CUELLAR. And I can understand, Mr. Bourne and Mr. Martinez-Fonts, Jr., that we should let the locals address a lot, but I still think we—probably like you said—have some common protocol.

In developing those common protocols, I think you hit it on the nail. You need to know who must be there or should be there, and how do we know that that person is supposed to be with Verizon or some other sector? Do you have some sort of draft that we can start looking at?

Mr. BOURNE. I will go back to our folks and we will get the latest update on exactly where they are on the process and the materials that they are using to sit down with the private-sector community to start fleshing out the rest of this resource typing.

We are also actively engaged with the Department on the larger issue of identification, and that involves the Secretary's Office, with Kathy Kraninger and her folks that are working on this broader credentialing issue for transportation workers and others. What we want to do is not create multiple systems, but a basic framework that can serve folks. And we will get you that information.

Mr. CUELLAR. OK. Do you have a timetable when you all will get this done? I think you mentioned 2-1/2 years.

Mr. BOURNE. That has been the first—that has been for the vast majority of the resource typing that has been done today. We hope to complete as much of the resource typing as we can over the next year. Part of the issue is as technology changes and new assets and new capabilities are brought to bear, we have to make sure that it gets added to the typing and credentialing lexicon that we are developing. So that will always be an ongoing process. But a common protocol for credentialing for those that might respond to a disaster is probably at least a year away.

Mr. CUELLAR. OK. Go ahead and submit what you have to the committee so Mr. Dent myself and the rest of the committee can look at it, number one.

Number two, on the common protocol, Eagle Pass is very different from New York City—Eagle Pass, Texas. So give us your perspective also as to how you are addressing the small communities versus the big communities also.

Also, you are including the business—you are not doing something and here it is, from step one, they are—

Mr. BOURNE. No. Every credentialing effort, every resource typing effort that has been done to date has been made up of work groups that involve the experts in the field in which we are trying to do the resource typing or credentialing. There have been a number of meetings that have been held at association meetings of various organizations, first responder groups, et cetera.

We did a large meeting in Seattle with the business community as well to try to look at this issue of credentialing for business and how they can get engaged in understanding the national response plan; and the private sector, the role that they can play in that.

One of the things that has come out of that is the private sector's adoption of incident command and understanding of it. That is not something that they had used before, but they realized that it is



a recognizable and understandable way to plug into an emergency response.

And we also have been developing standard operating procedures for our joint field offices so that they can take in input from the private sector at a real operational level, not just at a Washington, D.C. level, where we might get inundated. The folks working in the field need this information. And they are working on that as well. So it is an ongoing collaborative process with the Chamber and others to try to do this.

Mr. CUELLAR. Appreciate it. And again, just the fact that we have got a couple witnesses, if you don't mind, at least—if they are here, I would ask you—if any of y'all three want to participate or get involved—I would ask you to do that. Do you all want to add any more to that? This is just my last series of questions, and I will pass this on to Mr. Dent.

Mr. HICKEY. Chairman Cuellar, Mike Hickey with Verizon. First I want to say that I think Verizon has great confidence in Director Paulison and the work of FEMA. They are re-creating an agency that has had some challenges and we have got great confidence in the direction that they are moving.

States, I am from New Hampshire, just north of Mr. Bourne's home State, and all politics obviously is local. We are a strong believer in home rule. And I know that ultimately it is local decision makers that make the difference on issues like credentialing, and we applaud the efforts on the part of the Department to create a national system that can be used, maybe customized to Eagle Pass or Pennsylvania.

But in the meantime, I think that there are probably approaches that can be taken, maybe nontraditional approaches perhaps with FEMA through its 10 regional offices serving as a convener of States within that particular region. For instance, Verizon just met with Bill Peterson in Denton, Regional FEMA Administrator. And we met his team, a great team. And there might be a way of thinking through a regional approach so that the States under that FEMA jurisdiction could be convened to take a look at best practice.

For instance, Louisiana, Georgia, Florida have approaches to credentialing. They may be very straightforward, very simple, and very short term. But to get us over the next season or two, that might be one approach we want to consider taking.

Mr. CUELLAR. Yeah. Mr. Bourne, why don't y'all maybe talk to Mr. Hickey a bit after this? I don't know if you plan on doing that. So I am a big believer in looking at that approach. But if you can find some of the best practices, it might be that Pennsylvania might be doing a better job than some of the other States. I mean, just look at the best practices. But again, it is going to be local.

But I still feel we have to have some sort of common core issues that we have got to look at on a national basis.

Mr. BOURNE. That is exactly the approach we are taking, sir.

Mr. MARTINEZ-FONTS. Mr. Chairman, if I could add, as someone who has lived on the U.S.-Mexico border for many years—and I am not only familiar with Eagle Pass, but really when we talk about all this, really a three-layered strategy here—there is the local, there is the State and there is the Federal. And, again, as the mag-

nitude of the disaster, whether it is natural or man-made, increases, you have got to be able to kick it up a notch, as they say, so they are ready to move in.

So I think that is what you are asking for. You are asking for those protocols to a certain degree to be ready. If it is only Eagle Pass, you are going to just call on the fire department. If it needs a State, they need to be able to kick in. And then when you get a JFO that is set up by FEMA, then you have got to make sure that everybody is speaking the same language and being able to get aid from the surrounding area and everyone is on the same page, as they say.

Mr. CUELLAR. Thanks. The other two witnesses. I am sorry, Charlie. And I apologize. Mr. Howard or Mr.—

Mr. DINVAUT. Yes, Mr. Chairman. Barry Dinvaut. I will be glad to help and approach this situation as a small business, also having been involved in Katrina in Louisiana. My experience in that, I have a great deal of opinion on what could be done to help FEMA maybe—another disaster may hit Louisiana or the gulf coast that may help them in assisting them and preparing something that is much better.

And just to communicate and work with the organizations that support the small business within the regions that need their help, let them know. This information can be passed down to the small business and the private sector.

I think that line of communication is blocked. I put out an effort. When I evacuated to Baton Rouge, I returned in a few days, trying to get into New Orleans to work with FEMA and the Corps of Engineers.

Also, you have to take into consideration what is going to be done once the emergency has started. Are we coming back? And I came back to see if I could offer any help in the recovery of building the levees and so forth.

So I think the whole thing would revolve around getting the information out to the small businesses and the private sector what they need, and to see what can be offered to the different agencies and so forth.

Mr. CUELLAR. Well, one of the benefits of being a witness here is that you will get access to some of the folks here. So I would ask both Mr. Dinvaut, Mr. Howard, and Mr. Hickey if you all want to sit down with Mr. Bourne. I want to ask you if you all can get some of their ideas and follow up at a later time, I really would appreciate to get that local input.

All right. Mr. Dent.

Mr. DENT. Thanks, Mr. Chairman. And to Mr. Hickey, I just had a few quick questions. I want to get your thoughts on some issues. In your testimony, you indicated that Verizon has a strong relationship essentially with the Department's Private Sector Office and the Office of Infrastructure Protection. You also suggest that FEMA, which does not have an official private sector office must—or at least should have a stronger mechanism for private sector outreach and cooperation. Can you describe what you believe are FEMA's shortcomings as they relate to public-sector outreach?

And then secondarily, do you believe that FEMA should have its own private sector division and that we should have a point of con-

tact within FEMA, such as a private sector officer or liaison, that would improve this public-private sector partnership?

Mr. HICKEY. Mr. Dent, first of all I would say I think Verizon has a very good working relationship with FEMA. At the ground level we have worked for years from an operational standpoint to get the job done when events occur. We are just now getting around from a more senior level to meet with the 10 regional administrators, and FEMA has made themselves very accessible on that front.

I guess my sense is that at the—that really action occurs at the local and regional level. To the extent that FEMA has the focus and the resources to make itself available on a sustained basis, whether it is in Pennsylvania in Region 2—or Region 3 rather—or down in Texas, that helps because we then have a consistent and a very proactive point of contact with that organization.

I can't speak to the appropriations side of it. But given the fact that FEMA has done so much positive work in terms of restructuring its organization, to the extent that the private sector has consistent solid access at the local level going forward, I think that really helps. It helps us as partners, and we view FEMA as a good partner, but we can strengthen the relationship.

Mr. DENT. You also mentioned in your testimony, that the Federal Government's credentialing ID program, that that was—that there were obviously some challenges. And you also indicated the States and localities are developing their own approaches to credentialing.

I know Mr. Bourne has been talking about that a little bit during this hearing. Can you describe the problems that a non-integrated approach to credentialing amongst various Federal, State, and local governments presents to private-sector workers during a response to a disaster?

And maybe Marko Bourne wants to jump in on that at some point.

Mr. HICKEY. Two points. First, in response to the 9/11 attacks in New York, because of the excellent relationships that Verizon had with local police and fire, it was quite easy with our credentials to get through the barricades and get to our key facility at 140 West Street to begin restoration immediately. And we actually work with other infrastructure providers through our relationships to get folks in to begin repair.

The challenge with an area like the gulf coast is that it is so expansive and it crosses so many political jurisdictions, it is a challenge. And I will approach it from two standpoints. Verizon Wireless has a major presence in the Gulf Coast States. We have regional offices, we do a lot of work across bounds. And in order to get in quickly, we need to make sure that whatever credentials are required we have just as quickly as possible.

I think FEMA, I think DHS in general, certainly the national communications system, the White House post-Katrina, were absolutely focused on quick restoration of communications services. And if we are stymied in terms of getting into sites—and I understand why that happens—it puts us further behind the eight-ball.

So where you have a large cross-jurisdictional region like the gulf coast, if we can find regional approaches that go down to the local level, through political leadership within DHS, with the Governors'

Associations like SGA, and with the private sector, at least for the short term, that would be of help.

Mr. DENT. Marko, do you want to add anything?

Mr. BOURNE. Yes. If I could just add, part of the challenge is certainly that up until a few years ago, nobody even knew what credentialing was. So the dialogue that has been going on has been very helpful because it didn't exist before.

The challenge, too, for FEMA is that it is not necessarily—we are not in a position where we can make folks do these things. But what we can be is the facilitator of the standard, that folks can then apply whatever their goals and resources to if they are going to create a credentialing process for their community, their State, that it follows the basic patterns that would be recognizable from jurisdiction to jurisdiction. That is going to be critical because obviously, you know, this isn't a closed environment where we control all of the resources and all of the requirements.

So the process that we have been taking is providing the forum and the dialogues that folks can look at what are the common basic principles that can exist in a credentialing system, regardless of the community it is serving, and allow those communities to understand these are the basic premises, and you can build your systems to accommodate those, and then anything else you feel is necessary based on the uniqueness of the area you serve. That is the challenge. Because ultimately, they are in control not only of those emergency scenes, but they are responsible for the public health and safety of their communities. So they are ultimately going to have the last say as to who gets in and who doesn't.

Mr. BOURNE. What we want to try to provide is a forum under which everybody at least has a common understanding and can work towards a credential that is recognizable regardless of the community they go to serve.

Mr. DENT. And just real quickly, Mr. Hickey. To your knowledge, do you think Verizon would face the same credentialing problems in New Orleans that it faced during Katrina?

Mr. HICKEY. Mr. Dent, I am optimistic that we would not, because we—at least in that locale, because we have really made an effort, as have our government partners, to get to know each other and to be very well aware of what our requirements are. With FEMA and with the IT Directorate within the Department, there are personnel on the scene. We would continue to work with our sector-specific agency, the National Communication System.

And if I think about Katrina and the gulf coast and New Orleans specifically, I think we have made much progress in terms of getting to know each other, and in an emergency, if the official protocol was not established, that we would find, you know, ways to get to the sites that we needed to quickly.

I was remiss earlier in not referencing one organization that might be of assistance. This morning there was the first meeting of the Critical Infrastructure Partnership Advisory Council, CIPAC. It was created by the Department of Homeland Security. It brings together partners from 18 critical sectors, from water and dams to telecom and food and ag, and every other—including State, local, tribe and territorial. It is a brand new sector council. And with that new council at a table with all of the other infrastructure providers

there, the CIPAC might be one vehicle to really address the issue of credentialing in quick fashion, because all the right players are there not just from the private sector, but from government as well. That is just a thought.

Mr. DENT. Thank you.

Mr. CUELLAR. Thank you. There will be some other questions that will be submitted, but as you can see, today is one of those days, so we're going to go ahead and conclude at this time. I want to thank all the witnesses for being here, your valuable testimony, and, of course, the Members for the questions.

As I mentioned, the members of the subcommittee may have additional questions for the witnesses, and we will ask you to respond to them as soon as possible in writing to those questions.

Mr. CUELLAR. Hearing no further business, the hearing is adjourned. And again, thank you, and have a good day.

[Whereupon, at 11:14 a.m., the subcommittee was adjourned.]



# APPENDIX

## ADDITIONAL QUESTIONS AND RESPONSES

QUESTIONS SUBMITTED BY THE HONORABLE HENRY CUELLAR, CHAIRMAN,  
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE  
FOR MARKO BOURNE RESPONSES

**Question 1.: What types of resources and assistance can the private sector most effectively bring to bear in the immediate aftermath of a disaster and later in the early stages of recovery—what types of private sector entities should be involved and when?**

**For example, what should be the private sector role in debris removal? To what extent would this rely on coordinated action by small, local businesses?**

**Response:** There are many types of resources and opportunities for the private sector to assist in the disaster response and recovery process, especially long-term recovery. For example governments can create pre-negotiated contracts which can provide goods and services for disaster response and recovery. Additionally governments can also look to the private sector to learn more about what types of capabilities and reach that they can employ during a disaster. As with any type of planning, these relationships and agreements need to be built well in advance of a disaster and most importantly should be coordinated on a regular basis through a formalized partnership, forum or organization. There are many examples of State and local governments who have created public-private partnerships to integrate the private sector in emergency response and recovery.

For example in the State of California, SB 546 authorizes the Governor's Office of Emergency Services (OES), in coordination with other state and local agencies, to expand existing public/private partnerships and to allow greater participation by the private sector in governmental emergency management efforts. This legislation encourages collaboration between OES and private interests and increases integration of available disaster preparedness resources by:

- Enabling the integration of private sector activities with governmental emergency preparedness programs, and expanding preparedness beyond government-to government relations;
- Encouraging formal relationships between government and the private sector to monitor the status of the important lifelines controlled by the private sector—from food supply to telecommunications to transportation—during disasters, and to focus resources on their restoration when it is essential to the well being of the general public;
- Providing a means for government to communicate critical information to business during emergencies so that the citizens of California, who spend much of their day at their jobs, can protect themselves and their families;
- Allowing private sector access to government facilities and information systems in order to maximize best practices and systems, and to assist and coordinate with governmental emergency operations; and
- Creating the Disaster Resistant Communities Account in the General Fund into which private donations may be deposited.

This type of public private partnerships are happening across the country to better include the private sector in emergency response and recovery. FEMA is also helping State and local governments connect with private sector resources. Taking debris removal as an example, the private sector, made up of many small and large debris removal contractors, who can play a primary role in the debris removal process when debris removal contracts are competitively bid and appropriately procured by state, local, and tribal governments. State, local, and tribal governments can undertake pre-disaster debris management planning activities and develop debris management plans and pre-qualify debris removal contractors or enter into pre-

event debris removal contracts. To help State and local governments, FEMA has developed for State and local governments the Debris Removal Contractor Registry (<https://asd.fema.gov/inter/nerr/home.htm>) to assist State, local, and tribal governments identify debris removal contractor resources. This information is populated by the private sector.

In addition, small and large debris removal contractors also play a primary role in the debris removal process when debris removal is managed under a mission assignment requested by the state and managed by the ESF #3 lead agency, U.S. Army Corps of Engineers.

The private sector has a large role to play not only to prepare for and respond to an emergency, but it is the backbone of the community's economy and should be intimately involved in the long-term recovery. It is critical for a local business community to work with emergency management to ensure that businesses can open as quickly as possible to restore commerce and bring back economic vitality to the region. It not only is essential for businesses to be open to restore the economy, but it is equally important for them to return to be able to deliver goods and services to its community. Long term recovery planning should be an ongoing part of State and local emergency planning.

Beyond response and recovery, the private sector has an important role to play to prepare its employees, operations and assets for the unexpected. The private sector also has an opportunity to also provide leadership in community preparedness by utilizing its connection with local emergency management and community based organizations like Citizen Corps to encourage both citizens and businesses to be better prepared. These combined actions can set the stage for greater community resiliency.

**Question 2.: How do existing regulatory and statutory structures affect the ability to draw on private sector resources and develop flexible means of using their capacities?**

For example, after Katrina, Rite-Aid offered to refill prescriptions of those who had been evacuated to other states, but when it sent in pharmacists to help with in the increased demand, it found that in some cases its out-of-state pharmacists could not do so because they were not licensed in the state. **How can those issues be appropriately addressed?**

**Response:** As the question indicates, there are challenges for individuals who are licensed in one state traveling to another state and utilizing their professional knowledge without being licensed or credentialed in the second state. This is a state regulated matter that is generally recognized. FEMA has been encouraging states to address this issue in a fashion that will allow more qualified individuals to come to affected states to help during emergencies and to permit private sector resources to be used during emergencies.

Current licensure regulations may impede multi-state practice of pharmacists and other licensed healthcare providers. The Emergency Management Assistance Compact, adopted by all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam, enables health care professionals licensed and/or credentialed in participating states to render assistance when the governor of an affected state declares an emergency or disaster and requests aid from a participating state pursuant to the compact, although the Compact's reference to state officers and employees may make it difficult for states to exchange private sector health care professionals. Enabling licensed providers to practice nationwide in the event of a disaster or emergency situation could be beneficial in the aftermath of a disaster. Mutual state licensure is a potential solution.

The Department of Health and Human Services administers the Emergency System for Advanced Registration of Volunteer Health Professionals (ESAR-VHP) program, which supports the development of a national system of State-owned and operated systems to register and verify the licenses and credentials of health professional volunteers in advance of an emergency. While state ESAR-VHP systems do not solve the problem of enabling licensed providers to practice across state lines, the registry of interested health care volunteers and real-time licensing and credentialing verification information these systems provide should facilitate the use of health care professionals intrastate and, in cases where states have a mechanism in place to allow out-of-state health professionals to practice, across state lines.

Given that many of the potential impediments to involvement of private sector resources in disaster response and recovery are state or local laws, regulations, or licensing issues, the best way to avoid or reduce this problem is for states and localities to incorporate these issues into their disaster planning and to the extent possible, establish waivers or other systems in advance to reduce anticipated impediments.



**Question 3.:** It is necessary to identify the roles and responsibilities and associated tasks that are appropriate and necessary for disasters of different types and magnitudes—e.g., providing food, ice, water, prescriptions, pet care, temporary housing, etc.

**Which of these roles, responsibilities are inherently governmental (e.g., law enforcement and public safety) and which can be shared with non-governmental organizations?**

**To what extent does the revised National Response Plan consider roles and responsibilities of nonprofits and the private sector in preparedness and response for major disasters?**

**Response:** State, territory, and tribal governments have the primary responsibility for the public health and welfare of their citizens, including law enforcement, fire, medical, emergency management, public works and environmental response. However, many of these responsibilities and associated tasks can be shared with nongovernmental organizations (NGOs). NGOs serve a vital role in providing an effective response by mitigating potential risks and performing essential service missions within communities in times of need. These services bolster and support government efforts at all levels. Examples of services that may be provided by NGOs include:

- mass sheltering,
- supplying food and clothing,
- counseling services,
- training and managing volunteer resources,
- caring for displaced pets and service animals,
- identifying those whose needs have not been met and coordinating the provision of assistance and,
- assisting with post-emergency cleanup.

In fact, some major NGOs have been officially designated as support elements to national response capabilities. The American Red Cross, for example, is a supporting agency to the National Response Plan's (NRP) Emergency Support Function (ESF) #6 Mass Care, Housing, and Human Services; and, the American Humane Society helps care for displaced pets and service animals.

NGOs are also encouraged to develop contingency plans and Continuity of Operations Plans (COOP) and to work with state and local planners to ensure that their plans are consistent with pertinent community, state and tribal plans, the National Incident Management System and the NRP.

**To what extent does the revised National Response Plan consider roles and responsibilities of nonprofits and the private sector in preparedness and response for major disasters?**

**Response:** The process of revising the NRP is nearing completion, following extensive input from representatives of all sectors of our society, including nonprofit and private sector organizations. The final approved revision will address and identify potential roles and responsibilities of nonprofits and the private sector in all phases of emergency management.

The role of the private sector as owners and operators of much of our nation's critical infrastructure will be vital in maintaining and restoring essential services during and following disasters. The revised NRP will focus on the need to strengthen partnerships between all levels of government, the private sector and NGOs in enhancing the nation's readiness profile.

The revised NRP will also recognize that the private sector supports the national incident management efforts by performing vulnerability assessments, developing emergency response and business continuity plans, enhancing overall readiness, implementing appropriate prevention and protection programs, and donating goods and services or providing them through mutual aid agreement, contractual arrangement, or government purchases.

NGOs also serve an important role in community preparedness, coordinating resources, and marshalling community recovery efforts. NGOs support government incident coordination efforts by sending representatives to participate in State and local exercises and Emergency Operations Centers (EOCs). When incidents are of such magnitude that a Joint Field Office (JFO) is established, NGOs and other private-sector interests may participate in the JFO when appropriate.

There are two overarching organizations particularly instrumental in organizing NGO participation in incident preparedness and response: the National Voluntary Organizations Active in Disasters (NVOAD), a consortium of more than 30 national disaster relief organizations, and Citizen Corps, a DHS-administered, community-level program that brings government and nongovernmental groups together and coordinates the emergency preparedness and response activities of community members.

**Question 4.:** There have been calls for increased participation of the private sector in emergency operations centers so that in times of crisis, government officials can gain a business perspective and also have a liaison identified for outreach to the large community.

**What is the Department doing to ensure private sector participation in emergency operations center? What protocols and standards must be put in place before an initiative like this moves forward?**

**Response:** For years, many State and local emergency operations centers have had members of the private sector integrated as full partners in emergency response and recovery, especially in the utility and telecommunications industries. Since 9/11 States and localities have increased their ability to include the private sector to also include non-critical infrastructure representatives.

At the Regional level FEMA has supported State and local coordination with the private sector. For example in FEMA Region 2, FEMA administered a grant to New York City to support private sector integration into New York City's emergency and crisis management through a nonprofit business partnership, BNET. This organization was created as a result of a 1997-1998 study titled the Joint Loss Reduction Partnership (JLRP), funded by FEMA and conducted by the New York State Emergency Management Office in partnership with representatives from NYS businesses. The goal of the JLRP was to study and determine the needs of private-sector businesses following a serious emergency or disaster. The findings of the study identified a need for closer collaboration between the public and private sector, but most importantly a process for allowing critical business personnel to re enter their place of business within defined restricted areas to begin business recovery activities.

The Corporate Emergency Access System (CEAS) program was created as an outgrowth of the recommendations of the JLRP. CEAS uses a 'critical employee access card' credentialing system to mitigate the economic loss incurred through unforeseen emergencies where access to the workplace is restricted. To learn more about CEAS: <https://ceas.com/ceas.psp>.

New York City represents many best practices in public private partnerships with the business community. Many other cities and States have also created similar systems such as ChicagoFIRST and Florida's Office of Emergency Management has formally established Emergency Support Function (ESF) 18 "Business, Industry and Economic Stabilization," which focuses on partnership building with businesses throughout many aspects of emergency management.

Each State and locality has its own priorities and abilities to incorporate the private sector into its incident management planning. Just like New York City, many States and localities for years have included the private sector in their EOCs. It is a State and local responsibility to coordinate their priorities and make determinations on private sector representation and coordination during disaster response and recovery.

The Department is taking a proactive role in private sector coordination by having federal private sector and infrastructure liaisons to work with the private sector during an incident of national significance. Through the Office of Infrastructure Protection, the Department provides Infrastructure Liaisons to support and liaison to the 17 critical infrastructure and key resources sectors. These representatives are located that the national level through FEMA's National Response Coordination Center and the Office of Infrastructure Protection's National Infrastructure Coordination Center. To supplement this coordination during an incident, the Private Sector Office provides Private Sector Liaisons works alongside the Office of Infrastructure Protection's Infrastructure Liaisons both at FEMA's NRCC and the Joint Field Office to assist non-Critical Infrastructure industry to specifically provide public information and donation and resource management support. The protocols and processes of this coordination are currently being developed and are being raised for inclusion into the revised National Response Plan.

**Question 5.:** The private sector needs to understand NIMS, and more importantly needs to exercise and train in the areas of which they are expected to play a role.

**To what extent is the Department working with the private sector and states and localities to ensure and encourage private sector involvement in these types of exercises?**

**Response:** The Department has actively encouraged private sector involvement in these exercises.

The Training Branch of the Incident Management Systems Division, National Integration Center, created and implemented a NIMS Implementation Workshop for the Private Sector (a one-time event held in the Summer of FY06). The intent of this workshop was to obtain feedback from the various elements of the Private Sec-

tor on how well the implementation process has proceeded within their respective organizations. FEMA will continue to capture comments from the private sector (as well as from non governmental and volunteer organizations) and review them to help us revise our recommendations on the policies, plans and procedures we use as guidance to other Private Sector entities. It is hoped that the outcome will strengthen the Private Sector's ability to align their incident response capabilities with NIMS.

The following programs provide examples where the Department has encouraged private sector involvement in exercises:

#### **Homeland Security Exercise and Evaluation Program (HSEEP)**

The Homeland Security Exercise and Evaluation Program (HSEEP) is a capabilities and performance-based exercise program that provides a standardized policy, methodology, and language for designing, developing, conducting, and evaluating all exercises. HSEEP recognizes the necessity and importance of private sector exercise involvement and encourages participation of private sector partners in all aspects of preparedness exercises. To ensure HSEEP methodology and guidance are properly implemented and applied to Federal, state, and local exercise activities, the National Exercise Division (NED) emphasizes private sector participation in all programmatic initiatives, as well as supporting HSEEP implementation with Subject Matter Experts SME and technical assistance and online resources. The NED works closely with the DHS Private Sector Office and Office of Infrastructure Protection through the HSEEP Steering Committee and HSEEP Policy and Subcommittee to develop exercise policies and guidance that maximizes private sector participation in national level as well as regional exercises. The NED also coordinates national level exercises and directly engages private sector partners in those planning and execution activities as well. In the Top Officials (TOPOFF) federal exercise series, the NED is coordinating with the DHS Private Sector Office and Office of Infrastructure Protection to increase the level of private sector participation in this year's TOPOFF 4 exercise. Last year's TOPOFF 3 exercise involved more than 5,000 members of the private sector. The NED recognizes and values its private sector partnerships and is resolved in increasing their role in future exercise initiatives.

#### **Emergency Management Institute (EMI)**

The Emergency Management Institute (EMI) includes representatives of private sector organizations such as students in its exercise-based courses and other courses where those organizations are part of the integrated state, tribal and local response for emergencies and disasters. In addition, the general public, including private sector organizations, may take EMI's independent study courses at no charge which includes a menu of over 60 courses. However, EMI is not resourced to provide training for the private sector on a large scale.

#### **Center for Domestic Preparedness (CDP)**

The Center for Domestic Preparedness' (CDP) primary mission is to provide homeland security training to state and local emergency responders across the Nation. The private sector has regularly approached the CDP leadership requesting training for their response teams. At present, the CDP is training private sector responders on a "space available" basis, which translates to less than 4-5 private sector student seats per class. Currently, the CDP does not have reimbursement authority to accept funds associated with the cost of training. The CDP leadership has proposed enabling language that would give it permanent authorization to allow reimbursement for this one-of-a-kind training. This authorization would provide the private and public sectors the opportunity to train for response activities that are required in an incident in their respective community/jurisdiction.

QUESTIONS SUBMITTED BY THE HONORABLE HENRY CUELLAR, CHAIRMAN,  
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE  
FOR J. MICHAEL HICKEY RESPONSES

**Question 1.:** Regarding the U.S. Chamber of Commerce's pandemic preparedness initiative:

#### **Is the private sector taking pandemic preparedness seriously?**

Yes, the Chamber and its members appreciate pandemic influenza needs to be on the minds of all businesses. We have heard constantly that it is not an "if" but a "when" scenario. Like hurricanes, tornadoes, and earthquakes, pandemics happen. We can't stop pandemic influenza but the US Chamber of Commerce is encouraging preparedness for an influenza pandemic within the business community.

#### **What results are you seeing out of this preparedness effort?**

Business owners and leaders are becoming more knowledgeable about the risks associated with the threat of an influenza pandemic and, in turn, adequately prepared for the possibility of a pandemic that could have both significant social and economic costs.

Businesses are preparing their education programs to clarify their policies during an avian flu outbreak and using publicly available information to educate their employees on the need to take relatively simple precautions to limit exposure to a flu outbreak.

Many businesses, particularly large multinational corporations, have established pandemic planning committees and have altered their business continuity plans.

Of primary importance to a business, is having an adequate workforce that can be drawn upon, given the prediction that a large percentage of workers may be unable to fulfill their responsibilities over the span of a pandemic.

Given that forewarning, employers are doing a number of things to ensure worker availability and productivity. Among these is making the investment to support working from home or other remote sites and developing worker training programs that emphasize cross-training, replacement training, and recalling and training retirees.

Some companies are establishing additional supply and delivery chain alternatives. Some businesses are also ensuring that their third party suppliers are also prepared for the special circumstances brought about by the pandemic and have necessary contingencies in place.

**Can such efforts be applied towards other possible natural or man-made disasters that would affect business operations?**

If a business is prepared to deal with pandemic influenza, it's better able to handle other events, whether a biological attack or a natural disaster. Business planning and continuity plans can be adjusted for the circumstances. It's also very effective to have a team that is already built, and to have regular communication with operating groups. Whether it's a pandemic influenza or whether it's another type of disaster, it's very important to have a team in place.

**Question 2:** Re: recent administrative and legislative reorganizations at DHS and their effect on emergency preparedness and response coordination:

**Do these recent reorganizations benefit cooperation and communication among all levels of government, the private sector and the public?**

Policymakers have spent considerable energy in organizational and functional responsibilities at the Department of Homeland Security. While such initiatives may help clarify expectations for stronger outreach and coordination in emergency preparedness and response, actual outcomes will depend on more effective joint implementation by government agencies and the private sector.

For instance:

- Policymakers have recognized that meaningful emergency preparedness and response measures must be shaped and managed at regional, state and local levels. As a result, government resources have been devoted to standing up Department programs at the regional level in support of Joint Field Office requirements. To ensure stronger links between government and private sector interests, agencies like FEMA and the DHS National Protection Programs Directorate must establish stronger state and local private sector outreach and coordination capability to encourage and sustain private sector participation over the long term.
- In Homeland Security Presidential Directive 5 (HSPD-5), the President directed the establishment of the National Incident Management System (NIMS) and the National Response Plan to align Federal coordination capabilities and resources into a unified, self-disciplined and all-hazards approach to domestic incident management. These initiatives will fall short if they do not fully recognize and integrate private sector roles and capabilities into emergency preparedness and response frameworks.

Meaningful business and government partnerships are created not just through dialogue and planning, but by testing operational readiness and exercising together. The early insertion of private sector ideas and expertise in training exercises is essential in order to bring greater meaning to such programs—whether at the local and regional level or in the development of national exercises such as TOPOFF 4.

- To ensure a higher level of joint government/private sector preparedness and response, sound practice must be adopted and implemented where it matters most. On initiatives ranging credentialing to emergency wireless protocols, public and private sectors must be prove to be more effective in seizing upon good ideas and programs and finding ways of getting such programs implemented “on the ground.”

The Department of Homeland Security has been effective in establishing a framework for the eighteen critical infrastructure sectors to advance emergency preparedness and response measures and to coordinate within sectors, across sectors and with government partners. The 2006 National Infrastructure Protection Plan, resulting from Homeland Security Presidential Directive 7. HSPD-7 focused on the identification, prioritization and protection of the nation's critical assets. It required the development of the National Infrastructure Protection Plan and corresponding Sector Specific Plans. Perhaps most significantly, the NIPP encouraged the establishment of sector coordinating councils. In so doing, it brought greater sector diversity to the table and significantly advanced the institutional capacity of sectors to formally and proactively address cross-sector dependencies. Cross-sector initiatives have been advanced by the establishment of the Partnership for Critical Infrastructure Security (PCIS.) Its mission addresses critical infrastructure matters from prevention, planning, and preparedness to business continuity, mitigation, response and recovery. This forum provides 'real opportunity for discussion, cooperation and successful execution of programs by government and industry partners. Measures to advance government and private sector coordination were further advanced when Secretary established the Critical Infrastructure Partnership Advisory Council (CIPAC) in 2006. This Council brings together private sector representatives and sector specific agencies to the same table to advance coordination in emergency preparedness and response.

**Question 3.: Re: Participation in Ready Business Summits:**

The Ready Business Summit was a pilot initiative with DHS and the U.S. Chamber of Commerce to increase engagement of business owners and operators on the importance of business continuity planning, emergency response coordination and pandemic flu preparedness. The Ready Business Summit is designed primarily for small and medium size companies. As a result Verizon has not participated directly. The first Ready Business event was held with the City of Charlotte and the Charlotte Chamber of Commerce. The Summit provided the business community a to engage Charlotte's Office of Emergency Management and its local first responder community as well as federal state and local health officials regarding pandemic flu and to highlight best practices in Charlotte's business community on the importance of business continuity of both small and large businesses. DHS and the Chamber plan to hold additional Ready Business Summits around the country.

QUESTIONS FROM THE HONORABLE HENRY CUELLAR, CHAIRMAN, SUBCOMMITTEE ON  
EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

RESPONSES FROM JOHN L. HOWARD

**Mr. Howard, as you stated in your testimony, the Business Roundtable launched its Partnership for Disaster Response in part as a way to address the need to better coordinate the generosity and willingness to assist the public, by the private Sector.**

- **How has the roundtable worked to draw upon and organize the resource capability of its members? And specifically, how has Grainger worked with the Department and state and local authorities to provide services?**
- **Did you meet personally with federal, state and local officials?**
- **Do you have pre-negotiated contracts in place?**

The Partnership has worked to draw upon and organize the resource of its industry membership in an effort to create a more coordinated response to disasters. Companies involved in the Partnership are working closely to harness their expertise to create a more proactive approach in how the business community can help our nation prepare for, respond to and recover from disasters. The Business Roundtable strongly believes in the importance of a coordinated solution to assist emergency response, to mitigate the suffering of communities affected by a disaster and to support economic recovery.

For example, the Partnership has:

- Developed an emergency protocol for how the private sector will communicate with the government and relief agencies immediately following a disaster.
- Launched a web site, [www.respondtodisaster.org](http://www.respondtodisaster.org), the first clearinghouse of information on disaster preparedness and response, to help businesses develop more comprehensive disaster response programs.
- Organized a Business Response Team comprised of representatives from several industries, including Telecommunications, Manufacturing/Chemical, Retail/Supplies, Insurance, Health/Medical, It, Financial Services, Transportation/Lo-

gistics, Energy/gas and Electric to gather and communicate needs to the Partnership, and to determine which corporate resources are needed during the response phase of a disaster. To facilitate communications, the Partnership also launched a secure web site that enables members to easily communicate information and obstacles confronting the general business community and specific industry sectors in real-time. These challenges can then be shared with federal and local government representatives to speed response and recovery activities.

- Developed new educational resources addressing all phases of disaster—preparation, response and recovery—to help a company's business continuity, security, communications, human resources and all operating departments refine the company's disaster plan. The subject areas include:

1. Top Ten Myths of Disaster Relief—aims to identify and correct some of the most common misconceptions about disaster response.
2. Do's and Don'ts of Effective Giving provides employees with accurate information about how they can best contribute after a disaster.
3. How Can My Company Help?—provides a guide for Country Managers in responding to natural disasters
4. Family Preparedness Guide—intended for all employees to educate them disaster preparedness and encourage them to take specific actions
5. Human Resource Guide on Benefits and Financial Issues—designed for HR leaders to help them support employees whose lives have been affected by a disaster
6. Protecting Your Business provides a guide for security, real estate, tax and legal staff on issues to consider when sharing office space after a disaster
7. Rebuilding Communities—provides advice for philanthropy and community relations leaders to help set priorities in contributing to long-term recovery efforts

The Business Roundtable's efforts have involved ongoing discussions addressing strategy and particular challenges with federal and local authorities.

As to your question related to W.W. Grainger, Inc, representatives of our company have met and discussed our commitment with representatives of the Department of Homeland Security and FEMA. Just as important, Grainger's extensive field operations provide the opportunity for its employees throughout the country to pursue similar discussions and coordination with state and local government representatives. The vast majority of products that we supply during an emergency are available for purchase as a result of previously awarded competitive contracts.

**2. The prioritization of product distribution is an important point often missed in times of emergency.**

- From your testimony we understand that requests from FEMA, cities and first responders are given priority -does this mean that one of your business customers will have to get in the back of the line for assistance and goods needed to get back on line?
- While this is understood in times of great crisis, to what extent is Grainger notifying its customers of a possible disruption and working with them to identify what is needed to keep them operations for the first 36 to 48 hours post event?

In disaster scenarios, Grainger makes every effort to give first priority to Federal, State and local agencies and to first responders. Prioritizing FEMA and first responder item demands may in certain limited instances cause temporary product shortages for commercial customers. However, our pre-planning and historic analysis anticipates this challenge. Given the inventory redundancy within Grainger's supply chain, the pre-identification/re-stocking of sensitive items, our re-supply relationships with our main suppliers and our capabilities to source product from multiple suppliers, few shortages are likely to extend beyond 48 hours.

Within the first 36 to 48 hour time frame Store and Sales management are being continuously updated by Grainger's Supply Chain management on estimated delivery of product and in turn store and sales employees are communicating directly with customers in the disaster area. Customer needs in this time frame are being captured via face to face customer contact at our local branches and the monitoring of inventory levels feed directly into and are acted upon by Grainger's supply chain systems and processes.

**3. How does Grainger research the needs of customers, plan to secure the supply chain and work to pre-position trailers of products that you and the affected community may need? Have you shared your best practices with the Department?**

Grainger has leveraged its unique position as a long-standing, national broad-line distributor with a robust local footprint to understand the "on the ground" product

needs in an extensive array of emergency situations. By virtue of our local presence throughout the nation, we have not only learned from those historical customer demands in the first hours of a particular type of event but we have also learned from our own local employees living through the emergency themselves. Our research as to what, when, where and how much product is needed comes from our long history and day in day out experiences dealing with emergency need. We will continue to share our experience and practices with the Department as part of the Roundtable's commitment to emergency response.

