

The Gathering Storm

*One year after Hurricane Katrina, what if it's not just once in a lifetime?
Making sense of our disaster-prone future.*

The lingering anger in New Orleans over the poor federal response to Hurricane Katrina is such that you can buy a T-shirt that reads “FEMA: Federal Employees Missing in Action.” By now, one year after Hurricanes Katrina and Rita hit New Orleans and the Gulf Coast, most people are familiar with the catalogue of missteps by the Federal Emergency Management Agency (FEMA) in the days after the storm first hit. They read like recollections from a bureaucratic nightmare. FEMA denied local officials’ requests for rubber rafts needed to rescue victims because it was afraid the polluted waters would ruin them. It issued a press release telling first responders in neighboring states not to respond to the hurricane without being requested and lawfully dispatched by state and local authorities. It turned away trucks filled with water

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and refused to accept much-needed generators. It wouldn't allow food to be delivered to New Orleans by the Red Cross. It ignored Amtrak's offer of trains to evacuate victims. It tied up valuable offers of foreign aid in the form of water-purification systems and rescue ships. And it left 20,000 trailers, desperately needed for temporary housing, sitting in Atlanta.

Why was the response to Katrina so inadequate, and can FEMA be fixed? On the surface, the outlines of the problem are clear enough: By placing FEMA, formerly an independent agency, into a new Department of Homeland Security (DHS), the Bush Administration severely weakened FEMA, causing problems that can only be fixed by restoring its independence. But, beyond this reshuffling of boxes on the federal government's organization chart, FEMA's response points to a deeper and more serious problem. Hurricane Katrina may not be the once-in-a-century storm it was thought to be. Rather, in all likelihood it is a harbinger for what is likely to come in an era of global warming. Just as the attacks of September 11 served as a wake-up call for what could be decades of catastrophic terrorism, Katrina must be seen as a wake-up call for an era of potentially new and explosively expensive natural disasters.

Taken together, we can expect a future where today's "emergencies," both natural and man-made, are more common—and more deadly. Yet our federal government—the only institution that can coordinate and pay for disaster response—is woefully unprepared to respond to, and pay for, these emergencies. Three major problems loom: The local-state-federal arrangements that have governed emergency response may no longer work in an era where disasters are so large that they overwhelm first responders; our system of emergency supplemental budgeting risks creating a fiscal emergency in which successive disasters push the nation into deeper and deeper fiscal trouble; and our seriousness about preventing disasters in the first place involves a level of political commitment previously unheard of in the United States. In other words, reforming FEMA is just a first step. Ultimately, the federal government must rethink its entire approach to disaster prevention and response.

FEMA's Failed Past

Created in 1979, FEMA was, throughout the 1980s, the dumping ground for political appointees; one report in the early '90s showed that it had 10 times the number of appointees as other agencies. The low point for the agency prior to Katrina came in 1992, with its failure to respond effectively to Hurricane Andrew, which left 250,000 homeless. FEMA's response to Andrew was similar to that during Katrina, perhaps because the director at the time was a man who—like Michael Brown, the director during Katrina—had no prior disaster

experience. Instead of preparing his agency to handle disasters, Director Wallace Stickney's major claim to fame had been forcing an openly gay employee of FEMA to reveal the identities of other gay employees.

This began to change in 1993, when President Bill Clinton appointed James Lee Witt, who had been his head of emergency response in Arkansas, to run FEMA. At the time, there were calls in Congress to abolish the agency because of its poor performance during Andrew. Witt, however, performed the government equivalent of a corporate turnaround, slashing tiers of bureaucracy and draining the patronage swamp. Witt reorganized FEMA around an "all-hazards response" approach and improved the agency's performance so much that during the 1994 Northridge earthquake in California, FEMA was applauded for its timely payments and assistance to victims. FEMA's re-organization and subsequent performance was so good that it became the poster child for Vice President Al Gore's reinventing government initiative. FEMA continued to perform well in the first year of the Bush Administration, particularly after September 11. In those days, many of Witt's reforms were still in place, and the agency was headed by Joe Allbaugh, a man who, like Witt, was a close confidante of the sitting president.

The re-deterioration of FEMA began in the third year of the Bush Administration, when it was placed in the Department of Homeland Security. Including FEMA in DHS blurred its mission and focus, a not-unusual occurrence when an independent agency is folded into an enormous new department. Prior to Katrina, warnings were issued by the Government Accountability Office (GAO), as well as a host of state and local emergency preparedness planners, that FEMA's preparedness mission was getting lost in layers of bureaucracy; it was likewise unclear how terrorism fit into the all-hazards paradigm. When FEMA's state-grant-making process got rolled into an overall departmental grant-making process, states found that they could get grants to buy protective gear against a biochemical attack, but they could not get grants for more traditional and probable threats like flooding. And, predictably, as FEMA's mission was blurred and its autonomy stripped away, it began to lose its longtime executives. The first to go was Allbaugh, whose departure meant the loss of direct access to the president, a feature of emergency response that is nearly as important as prior experience.

By the time Katrina made landfall, then, FEMA had spent slightly more than two years suffocating within DHS. Its vision was blurred, its morale sapped, its talent gone, and its leadership practically nonexistent. Those who remained were uncertain of their own authority and their relationship to the rest of the government. It is no surprise that so many mistakes were made and so much confusion reigned. This history, and the agency's performance during Katrina,

has led many to accuse the Administration of setting up the agency to fail in the face of a major emergency. The solution has been just as clear: In the immediate aftermath of Katrina, Senator Hillary Clinton introduced legislation to restore FEMA's independence. And by the spring of 2006, two House committees had approved legislation that would pull FEMA out of DHS.

Such a correction, to make FEMA a freestanding agency once again, is important for a variety of reasons. First, making the agency report directly to the president would make it possible to recruit top talent to lead FEMA. Second, a freestanding FEMA is the only way to allow it broad authority for action across the federal government, a vital step in the face of disasters that could easily overwhelm first responders and require broad federal action. Third, it would clarify some of the thorny issues of federalism that have arisen through the thicket of the DHS grant-making process. As the disaster simulation known as "Dark Winter" proved, for example, a smallpox attack on the United States could cause massive confusion and death across the country, a scenario that only can be handled with clear lines of authority and communication between the state governments and Washington. Such lines do not exist now, nor did they during Dark Winter. In fact, during the exercise, jurisdictional conflict quickly broke out, leading former Senator Sam Nunn, who played the president of the United States, to say, "We're going to have absolute chaos if we start having war between the federal government and the state government."

Hurricane Katrina: The Canary in the Coalmine

An independent and empowered FEMA would go a long way toward better preparing the United States for disaster response. But such a move alone would prepare the federal government to respond merely to the threat landscape of the past, not the unsettling and turbulent one of the future: global warming and international terrorism.

Former Vice President Gore's recent book *An Inconvenient Truth* makes the case, known to scientists for some time, that global warming has contributed to an increase in both the number and intensity of extreme weather events. A growing raft of studies indicates that warmer ocean waters fuel more powerful hurricanes, containing more moisture and more wind. In 2004, Florida experienced four unusually powerful hurricanes; Japan set an all-time record for the number of typhoons; and in the United States the record for tornadoes was broken. In 2005, so many hurricanes hit the United States that we ran out of letters of the alphabet and had to start using Greek letters as hurricane designations, a step never before reached. In addition, as Gore points out, "The science textbooks had to be rewritten in 2004. They used to say, 'It's impossible

to have hurricanes in the South Atlantic.’ But that year, for the first time ever, a hurricane hit Brazil.”

Hurricanes are not the only cataclysm on the rise. The number of major floods in the United States increased from less than 25 in the 1950s to just under 200 in the 1990s, a rate of change that was mirrored in Asia and in Europe. As Gore goes on to point out, one of the ironies of more flooding, and more precipitation in general, is that the phenomenon is uneven across the globe—producing more drought and desertification at the same time. The number of square miles of desert created in the 1990s is more than double what it was in the 1970s. And the number of major wildfires in the Americas went from less than 10 in the 1950s to close to 50 in the 1990s. Thus, Hurricane Katrina may well have been the canary in the coalmine, alerting us to the fact that “once-in-a-century storms” will occur much more frequently than that. The emerging scientific consensus is that global warming equals extreme weather, and national wealth and power are no protection against Mother Nature. That images from the aftermath of Katrina looked eerily similar to the pictures from the Asian tsunami a year earlier was no accident. We in the United States are as vulnerable to extreme weather events as anyone else in the world.

A similar situation exists regarding large-scale terrorism. As the terrorism expert Brian Jenkins points out, the nature of terrorism changed in the late twentieth century, from terrorism directed at precise political objectives to terrorism driven by fanatical religious objectives directed at societies in general. Even before September 11, we were seeing an increase in the number of lives taken in terrorist attacks. And, as nuclear proliferation expert Graham Allison has written so persuasively, the decreasing cost of scientific and computing information has meant that it is not only inconceivable, but, in fact, quite possible, that sometime in the next decade a major city will be attacked with a small-scale nuclear device. All the trappings of modern life—bridges, tunnels, airplanes, computer networks, electricity grids, and power plants—have been, and will continue to be, targets of terrorists intent upon inflicting maximum damage to civilian populations.

Redesigning Emergency Response

Global warming and terrorist attacks have drastically different implications when it comes to prevention, but for purposes of emergency response the two issues are nearly identical (the only real difference is that, in addition to emergency response, the scene of a terrorist attack is also treated like a crime scene). The levees in New Orleans could have been blown up by terrorists instead of being destroyed by Hurricane Katrina. An explosion and meltdown in a nuclear

power plant can come about as the result of carelessness on the part of an employee as easily as it can come about from intentional terrorist activity. Whatever the cause of the disaster, people need to be rescued and treated, fires and other second-stage disasters need to be fought, and property needs to be rebuilt.

Moving forward, therefore, the federal government must establish a set of guiding principles for responding to large-scale disasters, be they natural or man-made. The first is that a determination must be made, as early as possible, whether first responders have been overwhelmed and have become, in fact, victims themselves. This goes against established doctrine, embodied by the Stafford Act, which dictates that response efforts should start with local and state resources. It is the Stafford Act that sets up the process whereby a governor formally asks the federal government for assistance in the case of a catastrophe. But, as we saw with Ka-

trina, it is possible to experience disasters of such a scale that they decimate even the local government's ability to communicate merely the extent of the damage, let alone initiate a response. New Orleans Mayor Ray Nagin had to operate out of the Hyatt Hotel for

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several days, unable to establish communications with anyone; many state and local public safety agencies suffered water and wind damage to their equipment (evacuation buses, for one, were underwater); and the breakdown of communications led to an inability to coordinate state and local responses. In other words, in Katrina, from the Mayor of New Orleans on down, the first responders were victims.

Interestingly enough, the Bush Administration, in its National Response Plan, had, in fact, anticipated that there would be events in which first responders were incapacitated and immediate federal intervention would be necessary. A presidential directive issued eight months before Katrina allowed the secretary of homeland security to declare a disaster to be an Incident of National Significance, essentially a federal takeover of the response effort, drawing resources from across the federal government. But this step wasn't taken by Secretary Michael Chertoff until days after the hurricane hit, thus delaying to a dangerous degree the mobilization of federal, especially military, resources. The sad truth is that, had New Orleans' leadership been incapacitated by a dirty bomb, the federal response would have been more quickly forthcoming. Such a disparity between the federal response to natural and terrorist-made disasters must be reconciled. In the future, the federal government will need

to make an immediate determination about the fitness of first responders and direct a federal, often military response within hours—not days.

Another requirement for disaster strategy is the need for a standing emergency-response budget. Over time, America's natural disasters have become steadily less deadly — but also steadily more expensive. The hurricane that hit Galveston, Texas, in 1900 resulted in 8,000 dead, but the property damage (under \$10 billion) was minimal by today's standards. In contrast, Hurricane Katrina, the deadliest disaster in recent American history, killed 1,330, but the property damage cost the government nearly \$100 billion, by far the most expensive natural disaster in American history. Similarly, the September 11 attacks on New York and Washington cost the nation \$64 billion, above and beyond what had been budgeted for homeland defense as of the summer of 2002 (this number reflects only the emergency spending; it does not take into account the increases in regular spending that have come as a result of those attacks). In the context of a federal budget that is expected to total \$2.7 trillion in 2006, these emergency expenditures are small. But if major disasters are increasingly a way of life in this country, then such numbers take on an added significance. They are, in effect, less and less contingent costs; increasingly, they are fixed, mandatory costs—in other words, entitlements. Thus, one way to understand how to budget for disasters is to look at the history of the federal government's budgets for entitlements.

With each decade of the twentieth century, as entitlements grew, the “rest” of the government made up a smaller and smaller portion of the whole. This was not supposed to be. But the sympathies elicited by the beneficiaries—aged people on Medicare and Social Security—made it impossible to cap expenditures; so as people lived longer lives and began to rely more on federal benefits, the size of federal entitlements rose accordingly. In 1937, when Social Security was passed, no one thought that it would turn out to be the enormous expenditure that it has become. In that year, there were 53,236 beneficiaries, and their benefits cost the federal government just over \$1 million. In 1941, Social Security outlays were less than 1 percent of the federal budget; today the old age program alone accounts for 22 percent (all entitlements combined for 55 percent). The universal nature of the program and the pure political fact that Congress can't say no to old people has created a program that overwhelms all other spending.

A similar situation is likely to play out regarding emergency expenditures. Like Social Security, spending on emergency relief is directed toward people who are in extreme need and who command the sympathy and support of Americans and their political leaders. Just as all Americans realize that they, too, will be old someday, every American realizes that he or she could wind

up in the middle of some natural or man-made disaster. So, as with Social Security, there is a political imperative to spend whatever is needed in the wake of disasters. As Witt told a Senate subcommittee a decade ago, “Disasters are very political events.” But, unlike entitlement spending, which can be predicted with a fair degree of accuracy using demographic data, emergency spending is assumed to be unpredictable. This is why we have gotten into the habit of appropriating emergency-response money in what are called “supplemental appropriations”—spending bills that come up outside the regular budget process. Outside of supplementals for military action, almost all such appropriations are for emergency response.

Indeed, the amount of money spent on disaster supplementals has been rising. In the 1990s, non-defense supplemental spending came to \$22 billion and covered a variety of natural disasters, such as Hurricanes Hugo, Andrew, and Iniki; the Loma Prieta and Northridge earthquakes; and the Chicago floods; as well as two man-made emergencies, the Oklahoma City bombing and the Los Angeles riots. Such spending was a significant increase over the 1980s, but it pales in comparison to what has been spent in the first half of the first decade

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of the twenty-first century. Driven mostly by one man-made disaster (September 11) and one natural disaster (Hurricane Katrina), supplemental authority for non-defense spending from 2000 to 2005 is already more than \$167 billion, or more than seven times as high as it was for the entire previous decade. The emergency supplementals for the September 11 disaster roughly equaled all spending by the Department of Education for 2004, and emergency supplementals for Hurricane Katrina were slightly higher than all spending by the Department of Agriculture in 2006. At this rate of growth, emergency-response spending will quickly devour what remains of the discretionary budget and dwarf appropriations for health, education, criminal justice, and a host of other programs.

Attempts by conscientious members of Congress to actually put aside money for disasters have failed time and time again. And, for obvious good human reasons, the political will to place limits on aid to victims of disasters or to mitigate further disasters simply doesn't exist. The simple solution to this budgeting crisis is to appropriate, each and every year, money that would go into a kind of rainy day fund, protected from government spending and allowed to grow in years when there are no major emergencies. But the failure of calls for

a similar protected fund—the once-maligned, now-pined-for Social Security “lock box”—does not offer much hope that this could actually be accomplished in the present political climate.

When the bill for natural disasters exacts a pound of flesh from the federal budget, the pound of cure promised by prevention looks ever more appealing. The most obvious solutions to the impending fiscal crisis are to take sensible, less costly steps to prevent disasters in the first place. Of course, such steps are often impossible in the absence of political courage and will. For instance, in the case of hurricanes, wetlands act as natural sponges, absorbing some of the shock of the ocean before it hits dry land. The New Orleans levees were built on the assumption that they would have 40 or 50 miles of protective swamp between the city and the Gulf of Mexico. But successive administrations at all levels of government have allowed for development on wetlands. Today, the Gulf of Mexico is 20 miles closer to land than it was in 1965, which makes hurricanes consequently more destructive. Thus one step in trying to reduce the destructiveness of natural disasters would be to protect wetlands, in contrast to the Bush Administration’s policy of allowing development in these previously protected ecosystems.

The lack of political will to take such common-sense steps of mitigation will come back to haunt the federal taxpayer. The private insurance industry is not nearly as skeptical about global warming as is the Bush Administration. “The big European insurers and re-insurers—Lloyd’s, Munich Re, Swiss Re and Allianz, for example—are vocal in calling for the industry to take the climate change threat seriously,” says an article in *Reactions*, the magazine of the re-insurance industry. Since the private market is not subject to political pressures, it will not insure much of what used to be New Orleans. So it is left up to the National Flood Insurance Program, which, instead of living up to its promise to reduce flood damage, is knowingly using old maps that significantly underestimate the danger from flooding. The cost of this short-sighted political gamesmanship will be endured by all taxpayers.

Just as steps should be taken to “harden” potential targets of terrorist assault, we need policies that will invest government dollars and political capital in making environmentally sensitive areas less susceptible to natural disasters. Wetlands policies should be strengthened. Federal aid should be provided to move people out of flood plains, and the people who run the federal flood insurance program should be forced to take a much tougher look at the risk levels they are underwriting. And, of course, the most important thing we can do is to get serious about global warming. Since the United States contributes more to global warming than any other country, our leadership alone

can make a significant difference in terms of the effect we can have and the example we can set.

It is tempting, of course, to look at the first five years of this decade as an aberration, to simply write off September 11 and Hurricane Katrina as extraordinary events—literally. In fact, Katrina and September 11 are only the beginning of what is likely to be a decade or more of enormous spending on disasters and disaster relief. It is easy to see emergency-response spending topping \$200 billion in this decade and steadily increasing—eating what is left of the discretionary portion of the federal budget. By refusing to pay attention to the environment on the one hand and by waging a wasteful and ineffective war against terrorism on the other, we have all but guaranteed that emergency-response capabilities will become an ever larger and more important federal function.

Turning this around means mustering the political will to engage in serious prevention. This will not be an easy thing to do. It means telling Americans that they can no longer live in the places where they've lived before and giving them resources to relocate. It means getting serious about reducing global warming. And it means understanding that nothing will undermine our government and our way of life more than lurching from one catastrophe to another. In so many ways, the costs of Katrina are still being tallied. But if the cost of successive natural disasters is that of a government that is unable to act and innovate, it will be a price too large to bear. **▀**