

**Hurricane Katrina: What Can Government Learn
from the Private Sector's Response?
Senator Joe Lieberman
November 16, 2005**

Madam Chairman, thanks for holding this seventh hearing in the Committee's ongoing investigation into the preparations for and response to Hurricane Katrina.

Today, we temporarily turn away from examining the role of federal, state, and local agencies in preparation for and response to the disaster and focus instead on an aspect we would be remiss to overlook: the role of private sector agencies and what government might learn from companies that were prepared and uniquely positioned to help save lives in emergencies – companies like those represented before us today

In some areas, stores like Wal Mart, Target, and Home Depot were virtual life lines for dazed and bereft citizens who were fortunate enough to survive Katrina's wrath. These companies and their employees became key distribution points for food, water, clothing, generators, and other supplies because they were prepared and because they had the capacity to move goods and provide services.

Mississippi Power, a subsidiary of Southern Company, was able to restore life-sustaining electricity to hundreds of thousands of customers well ahead of schedule apparently because it has a culture of empowering managers to make decisions free from bureaucratic entanglements.

Starwood Hotels, which operates three properties, including the Sheraton in New Orleans, provided vital services to its customers, employees, and first responders during and immediately after the storm, and was able to get its hotels back up and operating, within days after the storm.

And IBM, one of the world's leading information technology companies, has much to teach us in terms of how to harness technology to plan, manage, share information and coordinate disaster-related activities better.

We examine these stories today to learn lessons that will help all businesses – large and small - as well as all levels of government, be better prepared to help when the unthinkable happens again.

In doing so, Madam Chairman, we do not seek to send a false message that the private sector acted flawlessly in response to Hurricane Katrina. Some of the evidence that we have gathered in our investigation and the graphic media reports from the scene of Katrina's destruction argues for a more sober assessment.

Allegations have already been made that residents in private nursing homes and hospitals may have lost their lives because of poor planning and negligence. And New Orleanians may have been put at risk by inadequate protection of hazardous materials.

Since 9/11, we have been all too aware of the fact that the private sector owns 85 percent of our nation's critical infrastructure – that is, our communications networks, power grids, financial and health services, chemical plants, oil refineries, transportation systems and much more. These infrastructures form the backbone of our economy and, therefore, must be protected at all cost.

That's why we created an Infrastructure Protection division in the Department of Homeland Security which was the first of its kind at any federal agency. The point was that government needed to work with the private sector to make sure the systems so crucial to our way of life were adequately protected, and if attacked by terrorists or overwhelmed by natural forces, were able to recover quickly and restore services.

Among the lessons reinforced by our examination today is that we underestimate the value of being prepared at our own peril, that leadership and communications are key, and that in a crisis decisions must often be made by those on the scene. We also learned that the homeland security partnership between government and the private sector must be improved.

In the final analysis, when the lives of American citizens are at stake, we must transcend all affiliations and unite as a team using all of the strengths of our great country – whether they are from the public, private or non-profit sectors. We have to operate as one to get the job done. I hope this hearing will help us get closer to where we need to be.

Thank you Madam Chairman.