A Different Approach to Disaster Recovery

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Summary

The approach President Johnson took in the difficult Alaskan recovery following the massive Alaskan earthquake some years ago merits review in light of the Katrina debate. Because of sparse population, the Alaskan disaster caused far less damage than Katrina and resulted in fewer deaths. However, special problems made this disaster recovery arguably the most complex and urgent our nation faced during the century that separated the San Francisco earthquake and Katrina. As many as one-third of the Alaskan families were confronted with the prospect of having to abandon the state by fall, and the pre-oil economy of Alaska appeared to be ruined. Unprecedented federal management approaches had to be developed quickly if the state was to recover.

President Johnson, with support from Congress, exercised strong initiative in establishing an innovative approach to recovery that employed strategies never used before. They contributed heavily to a successful recovery in which few people had to abandon the state, and its economy was salvaged. Most people applauded the results.

The Earthquake

On March 27, 1964, Alaska was devastated by the strongest earthquake ever recorded in this continent, measuring 9.2 on the Richter Scale and lasting an unusual four minutes. The ground either rose or sank over five feet in an area exceeding 50,000 square miles where about 60% of the population lived. The base of its economy, fishing, vanished temporarily with the small boat harbors now either too shallow to accommodate the boats or too deep to be protected by the submerged breakwaters. Fishing boats were destroyed, and canneries were knocked out. Highways were impassable, bridges had buckled, and the terminus of the railroad had fallen into the sound. Water and sewerage systems were inoperable. Thousands of homes and businesses were damaged or destroyed, and few had earthquake insurance. The ever-present Alaskan problem of inflation threatened to soar out of control under the pressures of rebuilding.

Earthquake recoveries present complications not encountered in the wake of hurricanes. Ground elevations change, property lines shift, and there can be considerable hidden structural damage that takes time to detect. Changed elevations, for example, exposed Alaskan communities to new tidal behavior whose impact on most waterfronts was hard to predict, raising serious questions as to whether several communities should be even rebuilt.

Alaska also had large areas underlain with Bootleggers Cove Clay. When saturated, it reacted to the motions of the earthquake very much like a layer of grease above which the overburden slid toward the ocean carrying homes and community waterfront facilities with it. Deep soil drilling equipment had to be slowly barged up

the Pacific Ocean to carry out the massive tests required to determine where it was safe to build, a step that was difficult for Alaskans to watch as they impatiently waited for design and reconstruction to begin. Several towns now faced the difficult decision as to whether to relocate their entire community with the promise of federal assistance, or to remain where they were in seriously damaged conditions and more vulnerable to future earthquakes, without federal assistance for rebuilding.

In the midst of the sobering damage assessments that continued to flow in, it was very discouraging to learn that the Alaskan engineers did not believe that a sufficient amount of relocation, design, and construction of public facilities, especially that of harbors and water and sewerage systems, could be completed by the end of the short Alaskan construction season to avoid movement of roughly one-third of the Alaskan people to the lower forty eight before winter.

Emergency Response

Despite the fact that there had been no warning, the initial emergency work of providing water, food, medicine, and shelter moved forward with remarkable speed. The Office of Emergency Planning (OEP) and other public agencies, private companies, and citizens went into action within the first several hours without waiting to be asked or worrying about who was supposed to do what under some central plan. The Red Cross and Salvation Army were among the excellent performers. One advantage was the fact that Alaska had a large military presence, and it performed extremely well.
But within hours, it became clear that the existing organizations of the federal, state, and local governments could not begin to cope with the complexity and magnitude of the physical and economic recovery Alaska faced. The state was in chaos, and the economy ruined. New organizations and operating approaches would have to be developed and employed very quickly if Alaska was to survive as a viable state.

Disaster Recovery

Federal Commission. Five days after the earthquake, President Johnson departed in dramatic fashion from the customary federal government approach to disaster recoveries by issuing Executive Order 11150 in which he appointed most of his cabinet as members of a temporary Federal Reconstruction and Development Planning Commission for Alaska[1]. This Commission was to cooperate with the State in developing plans for both reconstruction and economic development. Not explicitly stated was Johnson's intent that this organization would provide strong

[1] Members were the Secretaries of Defense, Interior, Agriculture, Commerce, Labor, HEW, and the administrators of the Federal Aviation, Housing and Home Finance, and Small Business agencies, the Chair of the Federal Power Administration, and the Director of the Office of Emergency Planning (a predecessor of FEMA). The Director of the Bureau of the Budget participated in the Commission meetings. He and his management staff played a very important role. Nearly every other agency of the federal government eventually became involved, including the Department of State.

leadership for the rapid reconstruction of the battered state. It was to be far more than a planning group.

Completely unprecedented in our history was Johnson's action in designating a powerful Congressional ally, Senator Anderson, a Democrat from New Mexico, to chair the Commission. Anderson understood the executive branch because of his earlier experience as Secretary of Agriculture. He had experience with relief programs, and had conducted hearings on Alaska statehood as a member of the Senate's Interior and Insular Affairs Committee. This highly innovative action by the president demonstrated his deep concern about the disaster and set an example for innovative approaches to the recovery by all the elements of the federal government in a way that mere proclamations and exhortations never could.

State Commission. On April 3, Gov. Egan issued Executive Order No. 27, establishing the State of Alaska Reconstruction and Development Planning Commission to partner with the federal Commission. Mr. Joseph Fitzgerald was appointed the State Coordinator. Fitzgerald traveled with me and participated in my staff meetings. His role as liaison with the governor and state agencies was invaluable.

Executive Director and Staff. Anderson provided very effective leadership for the federal Commission, but a senator should not give operating direction to departments and agencies. Therefore, in an effort to avoid a constitutional issue, Johnson designated an experienced Executive Level V career person as Executive Director of the Commission to lead the implementation of the Commission policies and the presidential directives. That role fell to me. I was detailed from my position as Assistant General Manager of the Atomic Energy Commission where I had responsibilities somewhat similar to a COO, plus liaison with the White House and Congress. I am not sure this designation solved the constitutional question, and I would certainly not recommend this as a permanent arrangement. As a practical matter, however, this dual reporting did not create any problems. In fact, it strengthened my ability to act and to work with Congress.

Since I was executive director of a commission comprised largely of Johnson's cabinet, to some extent I was also viewed by cabinet members as their staff person assigned by the president to help them carry out their recovery roles, a very useful perception. To nurture this view, our small Commission staff exerted every effort to help the departments expedite their recovery activities, helping to make sure the departments received credit for their work. Anderson provided the public face of the federal role in the recovery, reducing to a minimum the time I needed to spend on public relations.[2] This unusual combined support from the president, a powerful senator, and the cabinet enabled me to quickly break bottlenecks and assume an occasional head-knocking role, even though my authority was not specified by law.

I was also helped by a little-known role of a presidential assistant, Lee White, who helped me understand how Johnson liked to operate. He also created an illusion

[2] Our open approach to the recovery activities also reduced the need for special press conferences and publications.

that I had a close relationship with the president, which was not the case even though the fact that I could reach Johnson when needed was critical to my role. Having an inexperienced political intermediary would have been a fatal handicap in the case of Alaska where time was of the essence. My staff members were detailed from federal agencies involved in the recovery except several highly qualified engineers who were detailed from Congressional committees.[3] Two managers, three engineers, and two secretaries were the only full-time Commission staff. Seventeen other members were part-time, serving largely as liaisons with their home agencies. They played an important role in making sure that their agencies were responding effectively, and would generally accompany me when I met with department and agency heads.

We were able to function with this extremely small staff because our role was not that of doing the work, but rather it was to mobilize, energize, and coordinate the agency men and women throughout the government who were the doers.

Alaskan Field Committee. The Commission authorized me to establish an Alaska Field Committee tasked with helping to coordinate and expedite operations on the ground in Alaska. Chaired by the Regional Coordinator of the Department of the Interior, it was comprised of the senior official of each of the 18 federal agencies having field offices in Alaska. The state coordinator, Joseph FitzGerald, served as an ad hoc member.

Task Forces. Chairman Anderson immediately appointed an Alaskan Construction Consultant Committee with members drawn from the Associated General Contractors of America and the International Union of Operating Engineers. The American Institute of Architects and the Engineers Joint Council also provided advice on reconstruction and development plans. The Commission established nine interagency task forces to make studies and help make sure that agencies worked together on issues that cut across departmental responsibilities. They reported to the executive director.

Nine interagency task forces were established to make special studies and prepare policy recommendations in areas in which several federal agencies had closely related responsibilities. They reported to the Executive Director.[4]

Since there were no predetermined structures prescribed for the Alaskan recovery, we were able develop whatever coordinating groups or structures best fit the particular conditions faced in Alaska. Despite starting from scratch, all pf these organizations were in full operation two weeks after the earthquake, with the Field Committee planning actions that would soon mark the transition from the emergency work underway to the more complex recovery phase. Task forces had

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[33] They had originally been detailed from NASA and DOD to the Congress.

[4] The Transportation Task Force was chaired by the Undersecretary for Transportation in the Commerce Department, with members from the Department of Defense, the Federal Maritime Commission, the Alaska Railroad in the Department of Interior, the Federal Aviation Agency, and the OEP. The other task forces were Ports and Fishing, Natural Resource Development, Industrial Development, Financial Institutions, Economic Stabilization, Community Facilities, and Scientific and Engineering (located in Alaska).

people busy in Alaska gathering data needed to plan reconstruction. No person or group had to wait to be asked or needed to worry about just how they fit into a detailed central plan.

It is worth mentioning that none of these recovery organizations had institutional authority. Their authority came from that which each member brought to the table from their home agency. We were careful to see that none became another layer in the processes. Rather they were to serve roles in information sharing, coordinating, and expediting.

Policy Role

Under the effective leadership of Senator Anderson, the Commission moved quickly on policy issues. At its first meeting, for example, the Commission decided that reconstruction would proceed in a way that would enhance future development rather than follow the past practice of rebuilding only what had been destroyed. This meant, for example, rebuilding highways and bridges to modern standards. It meant doubling the size of most small boat harbors. This policy paid off, but it complicated our ability to meet the already difficult schedules, and some projects required legislation before we could proceed. The Commission also departed from past policies when it decided that federal assistance should not be provided home and business owners to rebuild in areas which scientific evidence showed to be of high risk in the event of a future major earthquake. Not surprisingly, this policy generated considerable controversy.
Within two months of the earthquake the Commission had approved a series of policies including tax rebates, increase in the federal share of federal –aid public facilities, debt adjustments, purchase of state bonds to help finance urban renewal projects, disaster loans, mortgage forbearance and refinancing, and cash payments. Those policies requiring legislation were incorporated in an omnibus bill forwarded to Congress on May 27. Temporarily blocked by the bitter 1964 Civil Rights debate and the 57 day Senate filibuster, we were fortunate in having Senator Anderson as our chair because of his ability to break through the filibuster and secure passage.

Recovery Operations

It was obvious that we had to develop new management approaches if we were to avoid thousands of families abandoning Alaska as freezing weather approached and the economy collapsed. Approaches customarily followed by less catastrophic disaster recoveries would not suffice. There were several strategies developed in Alaska that were especially critical to our prospects for success:

1. Streamlined Operations. Customary recovery approaches were believed to be too complex and slow moving .for a successful recovery. Too much paperwork, and too many clearances, often in sequence, and insufficient flexibility for innovation. Too many levels between the operating people in the field and the president to permit quick decisions and expedited actions.

Rather than adding to the complexity of government through adding disaster procedures such as the National Response Plan, the Alaskan approach was to streamline, and at times suspend, existing processes. Simplification was the key.

The president and key Congressional leaders permitted the recovery staff to suspend existing procedures that jeopardized those schedules needed to complete construction of critical public facilities before the construction season ended in the fall. This unprecedented degree of flexibility was used sparingly, but in some cases made all the difference in meeting important deadlines.

Similarly, instead of a large organization such as DHS that is separate from existing structures to lead recovery operations, in Alaska a tiny, yet very powerful, staff worked out of the White House to mobilize resources within the whole federal government to move the recovery forward. Because the leadership for this staff was a temporary cabinet level commission comprised of the participating departments, the DOD and the other departments were more willing to make their resources available quickly than the customary arrangement in which a department is asked to respond to a peer organization.

When the plans were in place and the most critical construction completed (in this case about six months), this temporary recovery machinery disappeared. Staff details ended, and they returned to serve full-time in their agency positions that they had never had to relinquish.

Unlike Katrina, the federal agency dealing with the Alaskan emergency needs of food, water, medicine, rescue and shelter, the OEP, was autonomous and free to make decisions and take actions on its own.[5] . In Alaska, the executive director had access to the president, a powerful senator, and the cabinet, giving him enormous strength in bringing the government together as a quick action team. At the same time, the operational coordinating personnel in the field reported directly to him as well as their agency leaders.

2. Expedited Schedules. The urgency of the initial emergency operations after a natural disaster or terrorist attack is obvious. Less apparent in most cases is the need for moving quickly with the recovery or rebuilding phase, yet it is of vital importance from the standpoint of human suffering as well as minimizing the heavy costs that result from slow recoveries. In Alaska, however, the short construction season meant that the recovery would fail unless it moved at a speed never seen in peacetime.

   The simple organization, and process streamlining mentioned above were critical to this departure from business as usual. In addition to these

[5] In addition to the fact that the OEP retained its full authority after the federal Commission was established, the existence of the Commission lent weight to the work of OEP and strengthened its ability to take action.

administrative actions, we tried to change some of the customary approaches to construction design and construction.

On my first day in Alaska, I found our construction people following a perfectly logical approach of reviewing past construction schedules and looking at where these timetables could be tightened. Unfortunately, on some of the most critical public utility projects, especially water and sewerage systems, these tightened schedules would not provide for the necessary relocation, design, and rebuilding before the construction season ended. This would require many communities to abandon the state, and we would have failed.

Improvising in the course of this discussion, I asked them to begin by setting a completion date before the construction season ended, and then work back to the present with intervening milestones that might look unreasonable and perhaps impossible. Instead of establishing tight, but reasonable, schedules, I asked them to establish schedules that permitted Alaskans to stay after cold weather stopped outside construction, regardless of how unrealistic they might be. In several instances where there appeared to be soil stability, this meant slashing normal schedules by 90%. I assumed that we would later have to compromise with reality and adjust some schedule, but I believed that this approach would result in more rapid construction than would a more "realistic" approach. It did.

There were instances in which safety considerations limited how much schedule shortening could be done, especially where deep soil studies were required to assess ground movement in the event of future earthquakes. But most schedules were slashed sharply.

We pressed for change in every facet of reconstruction, and both the government and contractor people responded very well. The long daylight hours during Alaskan summers permitted double and triple shift operations, accounting for some of our ability to move rapidly. We streamlined the usual process of scoping the work and awarding the contracts. Construction moved almost concurrently with design where soil uncertainties were minimal.

The use of incentive fee contracts was pushed to new levels, including penalties for failure to meet cost or schedule targets. Lawyers cautioned against the litigation that the penalty clauses might generate, but we believed that potential litigation was a small price to pay for the incentive they provided to avoid slippages and cost overruns. I was relieved to find that no criticisms resulted from the high profits some contractors gained from early completion and cost savings.

Heavy reliance on incentive contracts required the engineering and management skill to thoroughly understand the work to be done, establish very specific objectives to be achieved, and provide close monitoring of the work.

3. Clear Leadership. President Johnson's action in declaring a disaster within hours and bringing into play the OEP and other federal agencies, demonstrated strong leadership. He then got everyone's attention by his unprecedented action of establishing the cabinet level Commission to be headed by a senator. Because Anderson was close to the president and had prior experience as a cabinet member, he had credibility and was a very effective chair.

   This bold step of the president was followed by his designating an experienced career person as the executive director placed in charge of directing the recovery effort. Not being buried under several layers of political appointees with questionable qualifications, I had the tremendous advantage of access to and support from top administration officials, including the president. The fact that this was a temporary organization to last only a few months also greatly reduced possible concern that the White House might be intruding upon agency turf. The Alaskan recovery looked to political leaders for recovery policies, but unlike Katrina, it relied on experienced career personnel to lead operations.

4. Open Operations. The Alaskan recovery was exceptionally open to the public. Most operational decisions were made *during* open meetings, not in agency offices after the public sessions. These community meetings were generally held in high school gyms, most of which survived the earthquake quite well, where business leaders and the public were invited to participate. Everyone was entitled to speak, but time did not permit speeches or irrelevant comments. Several meetings lasted all night, causing some complaints about long meetings. However, this initial investment of time saved considerable time in the long run. It also had other advantages.

   First, as one should expect, a number of the suggestions and complaints of homeowners and businessmen led us to significantly improve our reconstruction work. Second, providing people with an opportunity to voice their views and to see the reasoning behind the decisions, substantially reduced opposition. And third, this participation gave many people a sense of ownership in the plans even if they did not agree with some of the details, and provided an incentive to put forth a greater effort toward success.

5. Intergovernmental Management. It was my practice to include both state and federal staff when I flew from one damaged community to another to develop plans and check on progress. [6] In the first round of community meetings described above, representatives of federal, state, and local governments gathered around a large table to develop initial plans, with citizens and business leaders in attendance and encouraged to participate. In each case, we agreed upon a preliminary group of especially critical projects, agreed upon an agency to provide leadership for each project, and a

[6] Community observers likened this practice to the circuit riding of the 19th century circuit riding by country preachers.

preliminary cost and time of completion estimate. These were not guesstimates that the participates had to take back to Juneau or Washington for possible modification before approval; they were the plans on which work began, recognizing that the next round of meetings, we would have to make adjustments based on intervening internal discussions.

This intergovernmental process saved an enormous amount of time over the customary practice of requiring multiple meetings and internal agency clearances before proceeding, followed by similar time-consuming procedures required for significant changes in the plans. This approach meant that each participant had to be well informed and equipped with sufficient authority to commit his/her agency, resulting in some degree of anxiety at the beginning. As time passed, many agencies became pleasantly surprised at how well their people in the field performed when they were given authority and good guidelines with respect to how to exercise that authority.

We did not refer to these plans as federal plans, state plans or local government plans. Rather they were community plans in which all three levels of government were expected to function as a team. We developed a Seward plan, a Kodiak plan, several Anchorage plans, a Valdez plan that called for moving the whole town to a safer location, etc. The intergovernmental *relations* efforts that had been the focus of much of the federal government activity was replaced in our work with intergovernmental *management* that went far beyond good relationships.

6. Qualified Personnel. The urgency of the rebuilding, and the need for innovation placed a high premium on highly qualified, experienced career leaders in each agency. It was also important that individuals who were not performing well be reassigned quickly. We had cases in which high-level managers were taken off their work within 24 hours of their inadequate performance coming to the attention of federal or state leaders. There was nothing we stressed more in our work with the agencies.

   Today, there are more political appointees in the government, considerably more than other advanced countries use. This somewhat limits the operational leadership opportunities for the career service. Consequently, today it is not often that a career man or woman has the advantage some of us had of diversified assignments with major responsibilities, experience that helped us tremendously. Recovery from a catastrophic natural disaster or terrorist attack will usually involve scores of federal, state, and local agencies, requiring the in-depth knowledge of how government works that experienced career managers possess.
7. Congressional Relations. The value of Senator Anderson in the Alaskan recovery cannot be over estimated. Not only did he give skillful leadership to the Commission, he gave me and our staff wonderful support. As President Johnson had foreseen, Anderson also provided great assistance to the

president in arranging for quick legislative hearings and votes despite the bitter Civil Rights debate that dominated Congressional attention at that time.

Also important in our executive-legislative relations was the Congressional staff detailed to me. Originally detailed from NASA and DOD to the Hill, these were suburb engineers on whom I leaned very heavily. Most of the time, they were in Alaska inspecting the projects. However, even though they reported to me and functioned as though they were back in the executive branch, they were also expected to informally keep several key Congressional Committees informed of our work. This included setbacks as well as progress. In the hands of some people, this arrangement could be a problem. But in this case, it was of tremendous value to us. This independent flow of information, combined with the Anderson role, and our reliance on experienced career personnel combined to give Congress a high level of confidence in how we were managing the recovery. It reduced the amount of time I had to spend in formal Congressional communications, and contributed to the tacit agreement of key members of Congress to our unusual freedom to suspend agency procedures that threatened successful reconstruction.

8. Oversight. The heavy emphasis we placed on streamlining agency processes, and establishing tight schedules increased our vulnerability to waste and scandal. The priority given to use of highly qualified personnel, and the visibility of the rebuilding to the public, the media, and the Congress, greatly minimized this risk. But we also asked the agency oversight groups to follow our work carefully. Several days after my selection, I called the comptroller general to request the assignment of several GAO personnel to observe our operations. They had complete access to our records and were free to attend our staff meetings. We wanted to learn of any problems at the earliest stage so that we could take immediate corrective action. I looked upon these groups as allies in good management, and none of them engaged in the "gotcha" tactics that undermine the effectiveness of some oversight groups.[7] Fortunately, they also focused on the extent to which agencies achieved their cost and program goals rather than on the extent to which detailed procedures were followed.[8]
9. Interdependency. Our freedom to innovate across the board produced a synergism that relying on one or two elements of change would not have produced. This is illustrated by the fact that we would never have been granted so much flexibility had we not had an open approach, or had we not relied so heavily on career leadership, or ensured effective monitoring and oversight. Without that flexibility, we would have failed.

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[7] We did not have inspectors generals in those days, and the effectiveness of the existing agency oversight groups varied greatly. We tried to persuade several agencies to improve this area, but met with little success.

[8] Had GAO and other oversight groups placed adherence to procedures ahead of saving the state, we would have been graded as having failed.

Outcomes.

These organization and management strategies served us well in Alaska, exceeding our expectations. Of course, not everyone fully recovered, and a handful of people left the state. A few loans went bad and some businesses failed. No doubt the extreme amount of streamlining and cutting of schedules resulted in some inefficiencies. However, three was a broad consensus that the recovery was very successful overall.

The principal goals of President Johnson and the Alaskans, preventing abandonment by a substantial portion of the Alaskan residents, and the collapse of the economy, were achieved. Soon helped by newly discovered oil, the economy moved forward. The devastated communities did rebuild. Both Anchorage and Valdez were declared All American Cities several years later. .

Only five months after the earthquake, the Anchorage Daily News in an editorial titled, "Government at its Best", lauded the "remarkable" performance of the Commission staff. It said,

> "In many cases the normal rules followed by federal agencies were sprung completely out of shape to fit the post-earthquake needs of Alaska. Tight time schedules established for construction work became even tighter under the staff's constant prodding and watchful eye... It was a rare day when a problem was posed without being accompanied by a solution." The editorial concluded with, "If more government officials functioned with the same type of positive outlook and attention to needs and details, that word 'bureaucrat' would soon fast disappear from popular dictionaries."

On October 5, President Johnson expressed his satisfaction, "The work done by the Alaskan Reconstruction Commission is in my view an outstanding illustration of cooperation among government agencies at all levels, and I want to especially acknowledge your contribution as Executive Director of the Commission..." Governor Egan said the Commission "accomplished more than an outstanding job" in behalf of Alaska, and then stated that the "Federal, State, and local efforts were coordinated throughout the critical phase of the Rebuild Alaska program, in a way which, I am certain, has never b been previously accomplished in the history of American disasters."

A year after the earthquake, in reference to all the public and private groups that had been involved in the recovery, the Daily News wrote, "The comeback from disaster was so dramatic there hardly seemed to be a gap between destruction and reconstruction. The recovery period was almost as dramatic and breathtaking as the earthquake."

The Alaskan recovery demonstrated how federal, state, and local governments can work together with business and nonprofit groups as community teams in overcoming the impact of a catastrophic disaster.

Recovery strategies used in Alaska was in a number of ways the opposite of that contemplated in our National Response Plan.[9] Rather than establishing a complicated special structure with many pages of processes to follow in rebuilding, the Alaskan approach was based on establishing a tiny, but powerful, central temporary entity that could plan and coordinate recovery actions quickly without red tape. It relied on leadership that could mobilize and energize the enormous resources of existing agencies throughout government, and motivating them to innovate and drastically streamline their standard operating procedures. This arrangement has the capacity to adapt quickly to new and different challenges, since it does not prescribe structures and procedures to be followed in the recovery phase.

One caution is that the Alaskan approach depends heavily on presidential leadership, and on experienced political and career leaders who trust one another and can function as a team.

[9] The NRP focuses heavily on the initial emergency response, and it is not entirely clear how far some of the provisions go in controlling agency recovery efforts that may extend over several years.