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Lives and Communities**

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# From Tragedy to Triumph: Principled Solutions for Rebuilding Lives and Communities

*Edwin Meese III, Stuart M. Butler, and Kim R. Holmes*

As Congress and the nation consider how to rebuild shattered lives and destroyed neighborhoods and businesses after the Katrina disaster, it is important that the need to take action swiftly does not lead to steps that cause dollars to be used inefficiently or to unwise decisions that frustrate rather than achieve long-term success. This makes it imperative that Congress keep the following guidelines firmly in mind.

- The federal government should provide support and assistance only in those situations that are beyond the capabilities of state and local governments and the private sector. State and local governments must retain their primary role as first responders to disasters. The federal government should avoid federalizing state and local first response agencies and activities.
- Federal financial aid, when necessary, should be provided in a manner that promotes accountability, flexibility, and creativity. In general, tools such as tax credits and voucher programs, which allow individuals and families to direct funds, should be utilized to encourage private-sector innovation and sensitivity to individual needs and preferences.
- Consistent with genuine health and safety needs, red tape should be reduced or eliminated to speed up private-sector investment and initiative in the rebuilding of facilities and the restoration of businesses. Regulations that are barriers to putting people back to work should be suspended or, at a minimum, streamlined.
- Congress should reorder its spending priorities, not just add new money while other money is being wasted. Now is the time to shift resources to their most important uses and away from lower-priority uses to use taxpayer dollars more effectively. It is critical that America focus on building capabilities for responding to a catastrophic disaster, not on catering to the wish lists of cities, parishes or counties, states, and stakeholders.
- Private entrepreneurial activity and vision, not bureaucratic government, must be the engine to rebuild. New approaches to public policy issues such as enhanced choice in public school education should be the norm, not the exception. New Orleans and other ravaged cities will look different a decade from now, even though they will retain their individual essence. The critical need now is to encourage investors and entrepreneurs to seek new opportunities within these cities. Bureaucrats cannot do that. The key is to encourage private-sector creativity—for example, by declaring New Orleans and other severely damaged areas “Opportunity Zones” in which capital gains tax on investments is eliminated and regulations eliminated or simplified.
- Funding from the federal government for homeland security and disaster response and relief activities should focus on national priorities, better regional coordination and communication, and capitalizing federal assets.
- Catastrophic disasters will require a large-scale and rapid military response that only the National Guard can provide. The National Guard needs to be restructured to make it both more effective and quicker to take action.

### Recommendations for Rebuilding Lives and Communities

Responding to natural disasters involves two overlapping phases. The first is to get people out of danger and give them the immediate help they need. That requires both public and private organizations to slash red tape that impedes action. It also requires government to change spending priorities, shifting money from low-priority uses to more urgent needs. The second phase is to create the best possible conditions for rebuilding lives and communities, recognizing that many will look very different in the future as people and communities respond and adapt. The key to making this phase successful is to encourage creative and rapid private investment through incentives and reduced regulation, and to channel long-term education, health, and other assistance directly to the people and areas affected so that they can control their future.

#### Redirecting Federal Spending

Last year, as a precursor to Katrina, several hurricanes in the Southeast, most notably Ivan, damaged communities and vital infrastructure. Though none brought nearly the level of devastation wrought by Katrina, Congress provided emergency relief to the tens of thousands of people seeking to rebuild their lives. But Members of Congress did not stop with true unforeseen emergencies. They also passed funding for a myriad of other projects such as \$800 million to NASA for the Hubble Space Telescope and flight program activities, the U.S. contribution to the Global Fund to Fight AIDS, dairy subsidies, and agricultural assistance. Unlike spending for other emergencies such as the Northridge earthquake and Oklahoma City bombing in 1995, however, this spending was not offset by reductions elsewhere, so Congress quickly broke its budget agreement.

This illustrates why federal spending has increased 33 percent since 2001—about \$22,000 per household. The real budget problems of Social Security, Medicare, and Medicaid are projected to push that to \$36,000 by 2050—an after-inflation increase of 65 percent. While emergency funding is necessary for response and rebuilding after Katrina, Congress should end its habits of funding every conceivable spending initiative, special-interest tax credit, and pork-barrel project and instead set budget priorities, make trade-offs, and, in so doing, eliminate any entitlement expectations for disaster relief.

- Reserve all emergency funding strictly to provide relief for immediate victims of the immense destruction and its aftermath. There must be no “mission creep.” This spending should be offset by reductions in other spending, just as Congress did for the California earthquake and the Oklahoma City bombing.
- Freeze discretionary federal spending for the remainder of the fiscal year, thereby forcing Congress to reassess priorities and offset emergency funding needs.

#### Clearing Away Red Tape

Rather than have rebuilding efforts across the Gulf controlled or directed by bureaucrats and hampered by endless restrictions and litigation, Congress and state and local governments should eliminate or reduce the regulatory burden and allow communities to decide for themselves how best to rebuild. To that end:

- Declare New Orleans and other affected areas “Opportunity Zones.” For these zones, the President should direct an Emergency Board, drawn from federal, state, and local agencies and the private sector, to identify regulations at all levels that impede recovery and should propose temporary suspension or modification of these rules. Agencies should fast track those recommendations, and Congress, where necessary, should enact legislation where a legislative waiver is required. At the state level, the governor of California used such emergency powers given to him to suspend regulations—even statutes—to cut highway reconstruction time after the 1994 Northridge earthquake from an estimated two years to just over two months.
- Suspend Davis–Bacon. The President should be applauded for suspending Davis–Bacon requirements for affected areas, as he is empowered to do. Previous Presidents have also seen fit to do so, most recently George H. W. Bush after Hurricane Andrew, as well as Richard Nixon and Franklin Roosevelt. This

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would significantly reduce the cost of reconstruction and provide more opportunities for displaced Americans who are without jobs to work on federal projects to restore their neighborhoods.

- Repeal or waive restrictive environmental regulations that hamper rebuilding a broad array of infrastructure from refineries to roads and stadiums. Congress should consider substantial changes in environmental laws such as the National Environmental Policy Act (NEPA) and the Clean Water Act that have contributed to Katrina's damage. NEPA, originally designed to require environmental impact assessments for projects involving the federal government, has morphed into an all-purpose delaying tactic. Environmental organizations have used NEPA lawsuits to block many types of projects, including levee improvements that might have prevented the flooding of New Orleans. The same is true of the Clean Water Act and its regulations ostensibly designed to preserve wetlands. As regards flood prevention, these laws have been interpreted in ways that do far more harm than good, and changes are absolutely necessary.
- Suspend financial regulations that impede the ability of individuals and businesses affected by Katrina to obtain access to their resources. Regulations that affect both the victims of Hurricane Katrina and financial institutions in that area need to be temporarily relaxed to allow people to rebuild their lives. Financial institutions of all types need to be encouraged to allow customers access to their money by reducing or eliminating fees, early withdrawal penalties, restrictions on cashing insurance or out-of-state checks, and daily cash limits at ATMs.

Banks and other financial institutions also need to be given the ability to immediately shift branch locations, open new branches, and close damaged ones without the usual paperwork required by financial regulators.

Other types of businesses need temporary extensions or even exemptions from paperwork and disclosure requirements required by securities laws, pension insurers, or other federal and state agencies. For the most part, regulators already have the ability to suspend certain regulations in areas hit by natural disasters. The Federal Deposit Insurance Corporation, Federal Reserve System, Comptroller of the Currency, Office of Thrift Supervision, and National Credit Administration, for example, are granting financial institutions and others the ability to meet their customers' needs in a time of crisis without worrying that they will be penalized.

### **Improving Access to Affordable Energy**

Under any set of circumstances, Hurricane Katrina would have had a noticeable impact at the pump. However, by hitting America's single largest oil and refining region at a time of already tight supplies and high prices, the effects have been amplified. Of course, weather-induced damage to energy infrastructure is unavoidable, but Katrina's impact on oil and refined products did not have to be so severe, and there are lessons to be learned for the energy debate to come.

Putting aside for a moment the far more important human toll, from an energy standpoint, Katrina hit in the worst possible place. With approximately 25 percent of the nation's oil production and 16 percent of refining capacity located in the Gulf region, the hurricane's impact will be felt nationally at least for a month or two, and quite possibly longer. But both these percentages could have and should have been lower. To improve the nation's access to energy supplies:

- Waive or repeal Clean Air Act (CAA) regulations that hamper refinery rebuilding and expansion. Even under the best of circumstances, America's refining capacity is barely adequate to provide sufficient gasoline and diesel fuel. Katrina's damage to several Louisiana refineries has underscored those vulnerabilities. The impact on fuel supplies and prices would have been smaller, shorter in duration, and more localized had more refining capacity existed throughout the nation. Due in part to costly CAA regulations, no new refinery has been built in the U.S. since 1976, and expansions at existing refineries have not occurred fast enough to create sufficient spare capacity.

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Among the rules Congress should change are the tight Environmental Protection Agency (EPA) deadlines for implementing the new National Ambient Air Quality Standard for smog, which limits refinery expansions in many key areas. Congress should also streamline the extremely cumbersome New Source Review permitting process, which delays or prevents refinery expansions.

- Waive or repeal gasoline formulation requirements under the Clean Air Act so as to allow gasoline markets to work more flexibly and efficiently and reduce costs to the American consumer. Environmental regulations have led to a complex patchwork of fuel regulations that raise production costs and create logistical problems because gasoline that is suitable for one market may not be usable in another. The EPA has temporarily waived several of these rules to ease the immediate shortages and high prices, and Congress should consider making permanent changes.
- Increase the production of oil in the United States. The western Gulf of Mexico region ravaged by Katrina stands out not as the only offshore area with oil, but as the only offshore area that does not face severe federal limits on drilling. There is oil in the Pacific, Atlantic, and eastern Gulf, but these areas are subject to federal moratoria restricting drilling. Alaska also has significant oil reserves, both on and offshore, but portions of them, including the estimated 10 billion barrels located on a small part of the Arctic National Wildlife Refuge (ANWR), are currently subject to restrictions as well. Congress should lift those restrictions, thereby enhancing the overall supply and reducing the level of vulnerability should any one area suffer a natural disaster.

### **Rebuilding Infrastructure**

Among the many challenges confronting New Orleans, Biloxi, and the other damaged communities along the Gulf Coast will be the repair and reconstruction of the public infrastructure that serves the citizens and the economy of the region. As the water recedes and the debris is cleared, it is certain that the roads and bridges, schools and government offices, public libraries and health clinics, buses and trolleys, water and sewage systems, and community colleges and sports facilities will be found to have been destroyed or damaged to some degree and to be in need of significant reconstruction or replacement. While the traditional response would be to fund their reconstruction or replacement by means of government spending and borrowing, innovations in infrastructure funding recently implemented in other states reveal that the private sector has the capability and interest to contribute massive amounts of money for public infrastructure.

- Rebuild bridges, schools, water, and sanitation in partnership with the private sector, which will vastly reduce the costs and time required for such projects. Where states may need enabling legislation, they should be urged to enact such legislation immediately.
- Rescind at least half of the more than 6,000 earmarked highway projects in the recent highway legislation and use the funds instead to rebuild higher-priority infrastructure projects destroyed by Katrina.

### **Changing Taxes to Spur Investment**

Some will argue that the way to rebuild the devastated economy of the Gulf Coast is for the government to mobilize public and private capital in a plan to establish or revive businesses. That industrial policy vision of redevelopment is not the solution.

Bureaucratic planning will frustrate, not enhance, creativity and the search for new types of enterprise that are adapted to the post-hurricane conditions. The way to encourage Americans to invest in the affected areas and mobilize capital in the most entrepreneurial and efficient way is to reduce tax barriers to investment in the stricken area. To be sure, such barriers should be reduced generally around the country to spur growth; but given the goal of getting the Gulf Coast quickly back on its feet, Congress should enact short-term but deep tax incentives to encourage investors to focus on the area. Congress should:

- Streamline or suspend parts of the federal tax code in the declared Opportunity Zones in order to promote rapid reconstruction and redevelopment. Specifically, within these areas, which should be desig-

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nated for five years, permanently eliminate the capital gains tax on all new investment made during the life of the zone.

- Within the zones, eliminate the tax depreciation lives of new capital equipment and facilities and “old capital” in order to reduce the cost to firms of purchasing new and more productive equipment and structures. If Congress embraces full expensing of new capital, it only makes sense that old capital that still must comply with tax depreciation rules (which often force the owners of capital equipment to keep outmoded equipment in place for decades) should not be disadvantaged.

### **Giving Victims Relief from the IRS**

Victims of the disaster need both time to put their lives back in order and breathing room to deal with their financial losses. They do *not* need to be hounded by the IRS. Just as Congress enacted special provisions to cushion the financial burden facing victims of the September 11, 2001, attack, so it should for the victims of Katrina. Specifically, the government should:

- Repeal the federal death (estate) tax and immediately exempt Katrina victims from paying death taxes. After September 11, Congress enacted legislation to increase the exempt amount for families of victims to \$8.5 million and delayed their death tax liability for two years. Repealing death taxes also reduces the cost of capital.
- Postpone payment of 2004 and 2005 individual and business income taxes for Katrina’s victims. The hurricane has left hundreds of thousands of taxpayers without gainful employment. Congress should not further burden these people with past-due tax bills for their pre-Katrina income.
- Waive penalties for withdrawals from tax-advantaged savings such as IRAs and 401(k) plans for Katrina’s victims, as Congress did for the victims of the September 11 attack.

### **Promoting Permanent Health Care Coverage**

Many evacuees need emergency medical help, and most need a range of health services. Urgent services should be given through whatever sources are available and, beyond reasonable volunteer services, reimbursed through emergency funds that have been authorized by Congress. Even where services are available, federal privacy laws mean that doctors and hospitals cannot legally obtain prompt access to needed medical records and patient information. Moreover, even when the immediate medical needs have been addressed, the goal should be to restore long-term coverage for those who have lost employment-based coverage and to provide assistance to evacuees to afford adequate coverage that they can keep when they move back to their homes or move to other areas to rebuild their lives. The key to that is to give them the same tax breaks and other subsidies that apply to employment-based plans for coverage through organizations that they trust and that are close to them. To address these short-term and long-term needs:

- Amend or suspend regulations governing medical privacy rules under the federal Health Insurance Portability and Accountability Act (HIPAA) to make it much simpler for insurance companies, hospitals, and doctors to release medical information to medical personnel treating evacuees.
- Give displaced families generous, refundable tax credits for the purchase of the kind of health insurance that best meets their personal needs. Such credits are, in effect, vouchers that can be signed over to health plans in return for portable coverage that stays with the family wherever they move or work.
- Amend tax laws and regulations so that families obtaining health plans sponsored by charitable agencies and other organizations get the same tax relief they would receive for insurance obtained through an employer. This should include religious or faith-based plans, regardless of where these health plans are domiciled. The same change should apply for plans organized through other trusted organizations, such as unions, farm bureaus, or school systems.



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- Increase access to insurance coverage by allowing displaced families to enroll in the insurance plan of their choice either at the state unemployment office or at a designated disaster relief office. Channel refundable tax credits and other assistance to pay for coverage through these offices.
- Create Emergency Medical Accounts financed with federal contributions combined with a debit card for direct payment for health care. Beyond an initial federal contribution, the accounts could also receive Medicaid or Medicare funds, S-CHIP (State Children's Health Insurance Program) monies, or state emergency funding, as well as tax-free contributions from employers and former employers, charitable contributions from charitable agencies, and contributions from family and friends. The accounts could be used to pay for current insurance premiums, co-payments, COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage, and medical services.

### **Providing Education**

In the wake of the hurricane, schoolchildren in affected areas have significant opportunities for a brighter educational future. Public education in New Orleans, for example, has not adequately served the needs of all children: 65 percent of New Orleans schools failed to make the state's performance standard this year, compared to 11 percent of schools statewide. In Orleans Parish, 76 percent of students come from economically disadvantaged households, diminishing their options for alternatives to inadequate public schools.

With schools destroyed and students stranded across several states, federal, state, and local authorities should allow for greater funding flexibility so that students will have access to quality education during their displacement. Over the longer term, the federal government should foster a tax and regulatory climate that will lead to renewal in Gulf Coast school districts.

- Existing federal K–12 education formula funds (such as Title I) should be made portable so that students may be able to attend public or private schools in the area where they are forced to relocate. In that way, instead of children becoming a financial burden on schools, money follows them to those schools that help displaced children. Parents should be given direct control over Title I funding, and regulations governing the allowable use of how that money can be spent should be expanded to include private school tuition and after-school tutoring programs to allow parents to meet the immediate needs for their children.
- The states and localities affected by the hurricane should also make education funding transferable for the duration of the school year.
- School districts affected by Katrina should be included as part of the declared Opportunity Zones, where tax incentives are provided for education service providers and for school construction to spark long-term improvements. For example, business tax incentives could be offered to education service providers, such as charter school operators or after-school tutoring companies, to encourage redevelopment and reinvestment in affected areas. This would promote quality educational options in all areas of the city, including those that previously had none.
- The federal government should resist pouring resources into one-time school construction projects. Any new funding associated with rebuilding educational facilities should encourage state and local authorities to implement creative public–private partnerships through leasing arrangements. For example, education providers such as public schools (as well as charter and private schools and after-school tutoring companies) should be given opportunities to lease schools from private contractors through leasing arrangements.

### **Encouraging Civil Society and Faith-Based Outreach**

Recovery and reconstruction after Hurricane Katrina will require considerable ingenuity and enterprising spirit. Many private organizations and individuals have the necessary skills and flexibility to respond to the wide variety of needs, both immediately and over the long term. These include charitable and faith-based groups, as well as uncer-

tified or non-union individuals. Throughout the months ahead, every effort should be made to eliminate barriers that would prevent all capable groups and individuals from assisting victims of the hurricane in every way possible.

## **Improving National Response**

Much has been done to improve homeland security against terrorist attacks in the years since September 11, 2001. It would be a mistake to judge that improved preparedness by the standard of the response to Hurricane Katrina. It is, however, true that the homeland security grant system and the billions given to state and local governments and to the private sector have not improved the nation's capacity to respond to catastrophic disasters like Hurricane Katrina. This has become only too clear in the past two weeks. In most disasters, even the September 11 attacks on New York and Washington, local resources handle things in the first hours and days until national resources, if absolutely necessary, can be requested, marshaled, and rushed to the scene. Getting them there, however, is a huge logistical challenge and usually takes days. Catastrophic disasters are completely different in character from other emergencies and require a different immediate response. State and local resources are overwhelmed from the onset, as they were along the stricken Gulf Coast. The Administration therefore needs the authority and organization to build an effective national response system that can be quickly activated for such devastating disasters.

### **Improving the Nation's Capacity to Respond to Catastrophic Disasters like Hurricane Katrina**

State and local resources are exhausted from the onset of a catastrophic disaster. Since state and local governments cannot respond in such extreme events, providing relief efforts is a federal responsibility. National resources have to show up in hours, not days, in unprecedented amounts, regardless of the difficulties. The United States, however, lacks the means and capabilities to do this. Even years after 9/11, we have only begun to build the system we need. In part, this is because that is how Congress, states, and cities wanted it: All insisted on grants that doled out money with scant regard to national priorities. Katrina shows why that approach is wrong. All of the fire stations in New Orleans have been under water, as was much of the equipment bought with federal dollars. Only a national system—capable of mustering the whole nation—can respond to catastrophic disasters.

- Congress should establish funding requirements for first responders under the State Homeland Security Grant Program, the Urban Area Security Initiative, and the Law Enforcement Terrorism Prevention Program. (H.R. 1544, the Faster and Smarter Funding First Responders Act, is one example of how this might be accomplished.)
- The Department of Homeland Security should fully implement Homeland Security Presidential Directive 8. This directive establishes a national all-hazards preparedness goal, outlines mechanisms for improving federal preparedness assistance, and provides means to strengthen federal, state, and local preparedness capabilities.

### **Restructuring the National Guard**

Most disasters, including terrorist attacks, can be handled by emergency responders. Only catastrophic disasters—events that overwhelm the capacity of state and local governments—require a large-scale military response. Assigning this mission to the military makes sense. The Pentagon could use response forces for tasks directly related to its primary warfighting jobs, such as theater support to civilian governments during a conflict, counterinsurgency missions, and postwar occupation, as well as homeland security. These forces would mostly be National Guard soldiers. The National Guard force needs to be large enough to maintain some units on active duty at all times for rapid response in catastrophic events like Katrina, as well as sufficient to support missions at home and abroad.

The Defense Department should therefore restructure a significant portion of the National Guard into an effective response force.

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- The Defense Department's Quadrennial Defense Review, in coordination with the Department of Homeland security, should be used to determine the precise number of the forces and types that are required and to recommend how they can be established by converting the existing Cold War force structure. The Pentagon should emphasize components to address medical, critical infrastructure, and security issues in a catastrophic response.

### **Strengthening FEMA and the Department of Homeland Security**

The organization of the Department of Homeland Security (DHS) as established by Congress fragmented the preparedness and response missions among several agencies and offices. In July 2005, new Homeland Security Secretary Michael Chertoff announced the results of his "Second Stage Review" of the department's organization and missions. He proposed consolidating preparedness activities under an Under Secretary, strengthening the Federal Emergency Management Agency (FEMA), and making it an independent agency of the department, eliminating a level of bureaucracy and focusing FEMA squarely on planning and coordinating the national (not just federal) response to disasters. Hurricane Katrina struck before his reforms could be implemented, and the result was a lack of communication and coordination among state, local, and national responders.

- Congress should support full implementation of Secretary Chertoff's Second Stage Review. These changes will allow FEMA to focus on emergency and catastrophic response without detriment to preparedness. They will also enhance the department's ability to conduct preparedness planning.

### **Improving Information Sharing and Coordination**

The Homeland Security Act of 2002 required the DHS to propose a regional framework but provided no guidance on how to implement the system or its purpose. The department failed to meet the one-year timeline for developing a plan and has yet to announce a regional framework. This effort should be a top priority because such an organization could have contributed significantly to improving coordination for catastrophic disasters.

- The Department of Homeland Security should create a regional framework with the primary aims of enhancing information sharing and other coordination among the states, the private sector, and the headquarters in Washington.
- The offices in this framework should be led by political appointees who enjoy sufficient clout to gain ready access to local leaders. Ideally, these individuals would include former politicians, police chiefs, and other people who have some background in both homeland security issues and their geographic areas of responsibility.
- The priority of this network should be to support the flow of information and coordinate training, exercises, and professional development for state and local governments and the private sector in responding to catastrophic disaster.

### **Modernizing the U.S. Coast Guard**

During the response to Hurricane Katrina, the U.S. Coast Guard (part of the Department of Homeland Security) proved why it is one of the nation's most valuable assets. Coast Guardsmen, under the most harrowing conditions, rescued over 22,000 people and provided essential and immediate major assistance to communities all along the Gulf Coast. In fact, since 9/11 the service has played an increasingly prominent role in domestic security. Yet its equipment is aging rapidly and becoming unsafe. The Integrated Deepwater Program, the Coast Guard's modernization program, has been chronically underfunded. Indeed, the House has proposed to cut over \$200 million from its proposed FY 2006 budget.

To respond adequately to catastrophic incidents, the federal government needs to spend its money where it can get the most effective return on investment. The biggest bang in maritime security is spending money on Coast Guard assets that can prevent terrorist acts and that will be truly useful in responding to disasters, whether natural

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or man-made. This means that funding for the Coast Guard's Deepwater modernization program must be a national priority. Congress therefore should:

- Fully fund the Coast Guard's funding request for FY 2006.
- Increase annual funding for the Deepwater Program to \$1.5 billion per year.

### **Improving Public Preparedness and Personal Responsibility**

In comparison to the devastation of the tsunami in Southeast Asia, the U.S. capacity to save lives in the aftermath of Katrina proved unparalleled. This did not just happen. It resulted from the decisions of government leaders, volunteer groups, private-sector initiatives, and the selfless actions of communities and individuals. All are vital components of a national response. Yet more people could have been saved if individuals and communities had met their basic civic responsibilities. America does not have a culture of preparedness.

The Department of Homeland Security's current approach to enhancing public preparedness is deeply flawed. Instead of trying to run an ineffective advertising campaign from Washington, the DHS needs to refocus its programs to empower state and local governments to create effective "bottom-up" preparedness from individuals and communities. Federal initiatives will never be as effective as programs run by communities with the participation and leadership of local citizens.

- To ensure that the DHS role in public preparedness, while it should not be large, is effective and well-integrated with all other DHS preparedness, mitigation, and outreach activities, all of these tasks should be consolidated in one place within the department.
- The DHS also should help communities to develop a culture of preparedness by assisting them in establishing training programs for state and local leaders.

### **Improving Medical Response**

Unlike many other aspects of the aftermath of Hurricane Katrina, the United States was not (at least thus far) faced with a catastrophic medical disaster. Several hundred thousand people were successfully evacuated before the storm. While the death toll will still take time to assess and the potential for epidemics still exists, in terms of lives lost, the event could have been much worse. Next time, the nation could be hit much harder.

Since 9/11, the federal government has wasted billions of dollars on grants to hospitals that will be of no help in responding to medical disasters where the number of patients might be in the tens of thousands. As seen in New Orleans, hospitals in a disaster area are quickly overwhelmed. Meanwhile, disparate federal programs are not addressing the challenge in an integrated and coherent manner. To deal with this problem, therefore:

- Implement a targeted medical plan to deal with catastrophic disasters of national proportion. The federal government should focus on capabilities such as mass decontamination and rapidly deployable medical facilities.

## **Recommended Reading**

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