

**Testimony of John Howard**  
**Senior Vice President and General Counsel**  
**W.W. Grainger, Inc.**  
**Before the U.S. House of Representatives**  
**Committee on Homeland Security**  
**Subcommittee on Emergency Communications, Preparedness**  
**and Response**  
“Leveraging the Private Sector to Strengthen Emergency  
Preparedness and Response”

**July 19th, 2007**  
**W.W. Grainger, Inc.**  
100 Grainger Parkway  
Lake Forest, IL 60045  
Telephone: (847) 535-1000  
[www.grainger.com](http://www.grainger.com)

## **Introduction**

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

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

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

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

The Partnership aims to capitalize on the many capabilities of the private sector to accelerate on-the-ground relief and recovery activities to help save lives. The Partnership works to foster public-private collaborations to prepare for the health, social and economic burdens created by disasters in the United States and abroad. The Partnership also works to ensure that the business community's response efforts address a community's most critical needs, by mobilizing the unique and diverse assets of our member companies.

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

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

## **Public/Private Collaboration**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**The Partnership in Action—Providing Resources and Information**  
**([www.respondtodisaster.org](http://www.respondtodisaster.org))**

The Business Roundtable's Partnership for Disaster Response and its companies serve as a valuable resource, helping companies and their employees better prepare for and respond to disasters. In October 2006, the Partnership launched [www.respondtodisaster.org](http://www.respondtodisaster.org), the first comprehensive clearinghouse of information to help the business community better prepare and respond to disasters. The Web site features commonly requested information and valuable tools on how companies can better integrate disaster planning into their business continuity plans, communicate to their employees about disaster preparedness and response and contribute effectively to disaster relief and recovery efforts.

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

**Conclusion**

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