

Statement for the Record

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Introduction

Chairman Cuellar and Members of the Committee.

Thank you for the opportunity to respond to the committee's request for information on how the Department of Homeland Security (DHS) leverages the private sector to strengthen emergency preparedness and response. I am Al Martinez-Fonts Jr., Assistant Secretary for the Private Sector within the Office of Policy at the Department of Homeland Security, and I am pleased to respond to the Committee's request for information about public-private cooperation in emergency preparedness and response.

In order to adequately inform the Committee and respond to its request we are providing information about the Private Sector Office itself, which is a unique creation in the Executive Branch; various characteristics, requirements and experience with public private partnerships; specific information about Private Sector Office activities in support of public-private cooperation in emergency preparedness, response and recovery; and examples of activities by several other components of the Department, excluding in part, FEMA, which is represented here today.

Part I – The Private Sector Office

The U.S. Department of Homeland Security's Private Sector Office (PSO) is an outgrowth of the position of Special Assistant to the Secretary, created in Title I, Section 102(f) of the Homeland Security Act. The Special Assistant was given seven enumerated tasks designed to promote cooperation between the Department and the private sector. The Private Sector Office was created as a result of requests made to Congress by major business associations who recognized that more cooperation between the Department and the private sector was necessary to maintain a healthy economy while enhancing our nation's homeland security efforts. The Intelligence Reform and Terrorism Prevention Act of 2004 added three more tasks to the original seven in the Homeland Security Act.

In condensed form, the statutory mandates for PSO are to:

- Create and foster strategic communications with the private sector;
- Advise the Secretary on the impact of Department's policies, regulations, processes and actions on the private sector;
- Interface with Federal agencies performing homeland security missions to assess their impact on the private sector;
- Create and manage Private Sector Advisory Councils;
- Work with Federal labs, research and development centers, academia to develop innovative approaches and technology;
- Promote public-private partnerships to provide collaboration and mutual support;
- Develop and promote private sector best practices to secure critical infrastructure;

- Coordinate industry efforts regarding DHS functions to identify private sector resources that could be effective in supplementing government efforts to prevent or respond to a terrorist attack or natural disaster; and
- Consult with various DHS components and the Department of Commerce on matters of concern to the private sector.

In order to carry out our mission it is essential that we have partners. Our principal partners are the trade associations and the Chambers of Commerce to which the thirty million businesses in America belong. Without them, we cannot do our job. These associations and Chambers of Commerce include the U.S. Chamber of Commerce, Business Roundtable (BRT), National Association of Manufacturers (NAM), National Federation of Independent Businesses (NFIB), Association Society of Industrial Security (ASIS), Business Executives for National Security (BENS) and hundreds of others.

To work with our partners, the Private Sector Office has evolved into a staff of fourteen Federal personnel, with additional contract staff support. The Private Sector Office is now part of the Policy Office where it is better able to satisfy its statutory mandate.

The Private Sector Office has two divisions: the Business Liaison Division and the Economic Analysis Division. The Business Liaison Division works directly with hundreds of individual businesses, trade associations, nonprofits, and other professional and non-governmental organizations, ranging from the U.S. Chamber of Commerce and the Business Executives for National Security to the American Red Cross. The Business Liaisons also work with the Department's components, as well as with other Federal agencies, including the Small Business Administration, the U.S. Department of Labor, U.S. Department of Commerce and the U.S. Department of Health and Human Services.

The roles and examples of activities of the Business Liaison Division include:

Obtaining information from the private sector to advise senior leadership and the policy development process by:

- Conducting preparedness efforts, infrastructure protection outreach and education;
- Facilitating immigration issues/TWP outreach work;
- Encouraging Work Place Enforcement sessions and discussion;
- Facilitating Safety Act listening sessions with industry;
- Providing situational awareness to current and emerging issues (i.e., effects of regulation on the chemical industry, travel industry impacts of WHTI, effects of immigration legislation on U.S. employers);
- Contributing to numerous Department initiatives (i.e., non-immigrant visas/Rice Chertoff Initiative, etc.); and
- Pandemic preparedness seminars with HHS/CDC.

Creating and fostering strategic communications with the private sector by:

- Creating and sustaining relationships with U.S. Chamber of Commerce, Business Roundtable, National Association of Manufacturers, Business Executives for National Security, National Federation of Independent Business, American Society for Industrial Security (ASIS), as well as many Critical Infrastructure/Key Resource (CI/KR) and non-CI/KR associations;
- Facilitating discussions and relationships with major corporate leaders (i.e. Wal-Mart, Home Depot, General Electric, financial services sector leaders, etc.);
- Conducting topic-focused roundtables for the Department to receive insight and awareness from private sector leaders (large and small businesses, associations/NGOs); and
- Participating in the process of delivering government information (threat response, mitigation, etc.) to the private sector.

Promoting DHS policies to the private sector by:

- Delivering speeches and presentations to various groups and constituencies communicating Homeland Security policies, actions and initiatives; and
- Working with DHS leadership, the DHS Office of Public Affairs and other DHS components to shape and target communications and provide strategic engagement of private sector leaders and key constituencies.

Supporting outreach to the private sector by DHS components by:

- Aiding rollouts and operations (e.g., US VISIT, National Response Plan (NRP), National Infrastructure Protection Plan (NIPP), etc.);
- Facilitating private sector member/association involvement in national and regional preparedness exercises (e.g. TOPOFF 4);
- Participating in incident communications and operations during an event of national significance. For example, coordinates staff forward to the Joint Field Office, ESF 15 (External Relations) operations; and private sector assistance to FEMA (i.e. establishing networks/relationships, large donations);
- Obtaining private sector inputs to DHS Strategic Plan, NRP, NIPP and similar products; and
- Contributing to improved Border crossing operations (i.e., 25% Challenge in Detroit, Mariposa Port of Entry, Nogales, AZ).

Facilitating and encouraging public private partnerships by:

- Working with the *Ready* Campaign, specifically *Ready Business*, to encourage owners and operators of small to medium sized businesses to create a business emergency plan, to talk to their employees and to take steps to protect their assets; and
- Coordinating with State and local business coalitions such as Pacific North West Economic Region (PNWER), Great Lakes Partnership (Chicago); Security

Network (San Diego); Pittsburgh Regional Coalition for Homeland Security, Washington Board of Trade, ChicagoFIRST, State and regional BENS affiliates, Bankers and Brokers Roundtable, Hispanic Chamber of Commerce.

Encouraging the commitment of private sector resources to homeland security activities by:

- Promoting business continuity and supply chain security and resilience; and
- Encouraging coordination/integration of cyber and physical security.

The Private Sector Economic Analysis Division works with the Policy Office, other DHS components, other Government agencies, and external organizations to obtain information and analyze issues. More specifically, its roles and actions include the following:

Providing economic analyses of current or proposed Homeland Security actions, rules and regulations to offer component agencies and senior leadership with additional insight and perspective by:

- Assessing the consequences of cyber attacks;
- Evaluating Pandemic Influenza efforts;
- Conducting air traveler customer surveys;
- Reviewing U.S. VISIT survey/analysis;
- Assisting U.S. Citizenship and Immigration Service (USCIS) in developing proof of concept analysis for their Transformation Project; and
- Coauthoring *Risk Assessment of Collecting Antidumping Duty and Analysis of CBP Bonding Policy* for CBP.

Reviewing regulations, including providing help to regulating agencies by:

- Assisting the Transportation Security Administration (TSA) in the completion of various rulemakings and their subsequent rollouts (i.e., REAL ID, APIS, ADIZ, trucking hazardous materials);
- Providing comments and assisting USCIS on completing the proposed rule on the Religious Worker Visa Program; and
- Working with USCIS, ICE and the Chief Procurement Officer on estimating the costs of various components of the IMAGE (ICE Mutual Agreement between Government and Employers) programs.

Part II – Public-Private Partnerships

This section identifies the types of participants, some of the roles and purposes of partnerships, the requirements for successful partnerships, the risks that may hinder their success, major variability in results, and examples of public-private partnerships at the Department of Homeland Security.

The public-private partnership model is quite different from the traditional government relationship which treats the private sector as more of a supplier or customer.

“Partnership” requires a different mental attitude for all participants. It implies “give and take,” not a “take it or leave it” philosophy. Both the government and the private sector partners have constraints (e.g. legislative, contractual, financial, or staffing), which limit their ability to agree on actions. However, the expectation is that neither the public nor the private sector will “win every argument” and, instead, will work collaboratively to achieve mutually beneficial goals.

Stakeholders of Public Private Partnerships

There are many possible participants in public-private partnerships. The public sector participants could be agencies from one or more levels of government: Federal, State or local. In most cases, the government participants do not involve their senior agency official. The private sector participants in a partnership can include individual businesses, trade associations, civic organizations, nonprofits and non-governmental organizations like the American Red Cross.

The Purpose of Public Private Partnerships

Public private partnerships have many potential roles and purposes. Some are focused on preventing terrorism while others combine protection and preparedness actions, to include both acts of terrorism and natural disasters. Still others may focus only on natural disasters but their results can be transferable in either case. Public-private partnerships may have one or more of the following purposes, some of which can overlap:

- For Federal, State or local governments to provide and receive information related to acts of terrorism and natural disasters;
- For private sector organizations to learn, understand, and influence prospective decisions by governments regarding prevention, protection and preparedness relative to acts of terrorism and natural disasters;
- For governments responding to a disaster, to encourage cooperation with the private sector, who may be able to provide donations of goods or services, restore utilities or essential services to pre-disaster status, or work to reduce the impact of a disaster;
- For governments to obtain economic information useful in aiding in its recovery, evaluating disasters and reducing potential impact of mitigation decisions;
- For private sector organizations to mobilize with government to address disaster related issues which are critical to the private sector; and
- To solve security and expedited movement of people and goods across our borders.

Characteristics of Public Private Partnerships

Most public-private partnerships are not created under a specific legislative mandate. However, there are several characteristics of building a partnership which could be characterized as “requirements” in order for that partnership to be successful. Some are addressed in written documents, but many are not. They include:

- A charter with agreed scope for work and collaboration; success requires clear mutual goals defined before the partnership begins;
- Agreed commitments to and expectations of the partnership, including staffing and budget required of each party;
- A designated leader from the government and one from the private sector, who can address any issues which may arise;
- Public-private partnerships can be initiated by the private sector or the government, although most are initiated by the government. Many times the government, initially, persuades one or more key private sector partners to join the effort who then in turn help recruit other private sector members. In order to persuade the private sector to participate, there needs to be a “business case”, or “value proposition”;
- Compatibility between the partnership’s purposes and the mission and goals of government agency and private sector partners is essential; and
- Individuals in both the government and the private sector who are “champions” or “promoters” for the partnership are very important, particularly where the “business case” is not very strong.

Challenges to Successful Implementation of Public-Private Partnerships

Public-private partnerships are vulnerable to risks and challenges which can lead to their termination or change of course. Some risks can be addressed; others cannot. The risks may include:

- Concern by the private sector regarding potential liabilities associated with sharing information with governments, and for voluntary actions taken to assist in recovery from disasters. Many businesses would like to collaborate, but are deterred by real or perceived liability issues. ;
- The ability of businesses and organizations to assist. Many businesses and organizations that have the capacity and resources to make a significant impact on emergency preparedness, response, and recovery are often suppliers of goods and services, therefore creating a potential conflict of interest;
- Changing priorities of the government or private sector partners, which may lead to a reduction in commitments and/or expectations on either side;

- Loss of a “champion” or “promoter”;
- The proliferation of partnership organizations, which can involve the same private sector or government organizations, may lead to confusion, conflict or “partnership exhaustion”;
- Mishandling or inappropriate sharing of information by either government or private parties may lead to a loss of trust and credibility;
- Perception of favoritism toward individual firms by the government if the partnership excludes their competitors; and
- Understanding the level of participation. Unless the “business case” for participation is understood at the beginning of the public-private partnership, it may not survive long.

Variability Among Public Private Partnerships

There is no single model of public private partnership that supports the prevention, protection against, or preparedness for natural disasters or terrorist actions. Some of the variations between partnerships include:

- Whether a particular partnership should be continuing, or ad hoc for a specific disaster or issue;
- Level of involvement of local, State, or national level or a combination of one or more levels; and
- Number of participants and budget, which can range from few and no allocated budget to hundreds and annual budgets measured in thousands of dollars.

Results and Impacts from Public Private Partnerships

Over 85% of the critical infrastructure and key resources in the United States are owned or operated by the private sector. Federal, State and local governments in the United States are neither authorized by law nor have the funds to provide comprehensive protection to each critical infrastructure asset. Thus unless the private sector takes actions to prevent, protect against, respond to, and recover from an act of terrorism or natural disaster, the country will be poorly prepared to deal with these possibilities.

While the private sector can do so on their own, greater impact occurs when they collaborate through public-private partnerships. Many partnerships have been created in the past five years and few have been terminated, a sure sign of progress which has helped to further enhance the information sharing, preparedness, and protective actions necessary to help ensure the security of the Nation.

Almost every review of the United States' efforts to prepare to prevent, protect against, respond to, and recover from terrorist or natural disasters urges the continuation and increase in public private partnerships to achieve that end. Although there are no available statistics on numbers or results of public-private partnerships, the fact that there is still willingness and desire by both the private sector and governments to create such arrangements is a strong indication that the results and impacts of those partnerships have been very positive.

Successes of Public-Private Partnerships

Public-private partnerships directly or indirectly help to address preparedness/consequence management issues and protect critical infrastructure.

Examples of Public-private partnerships at the Department:

- The Office of Infrastructure Protection coordinates and facilitates Sector Coordinating Councils of private sector organizations representing each of the 17 Critical Infrastructure/Key Resource Sectors. These councils work with government agencies through the Critical Infrastructure Partnership Advisory Council to share information and develop means of preventing, protecting against and preparing for terrorist disasters.

In addition, the Office of Infrastructure Protection coordinates the National Infrastructure Advisory Council (NIAC) which provides the President through the Secretary of Homeland Security with advice on the security of the critical infrastructure sectors and their information systems. The NIAC is composed of a maximum of 30 members, appointed by the President from private industry, academia, and State and local government.

- The Office of Intelligence and Analysis officials work with State and local authorities at fusion centers across the country to facilitate the two-way flow of timely, accurate, and actionable information on all types of hazards. In Washington State, for example, representatives from the private sector sit side-by-side with government.

Fusion centers provide critical sources of unique law enforcement and threat information; facilitate sharing information across jurisdictions and function and provide a conduit between men and women on the ground protecting their local communities and State and Federal agencies. The Department will have tailored multi-disciplinary teams of intelligence and operational professionals in fusion centers nationwide by the end of fiscal year 2008.

- The Homeland Security Advisory Council (HSAC) provides advice and recommendations to the Secretary on matters related to homeland security. The HSAC is comprised of leaders from State and local government, first responder communities, the private sector, and academia. In 2007, the HSAC Private Sector Work Group created "The Future of Terrorism Task Force

Report” and the “Homeland Security Culture Report”.

- The Science and Technology Directorate facilitated the establishment of the Homeland Security Science and Technology Advisory Committee. This was established in 2004 to serve as a source of independent, scientific and technical planning advice to the Under Secretary for Science and Technology as mandated by the Homeland Security Act of 2002.
- The National Communications System (NCS) has had an active partnership with the telecommunications industry since its inception in 1962. NCS coordinates the National Security Telecommunications Advisory Committee of 30 industry executives, which advises national leadership on exercise of telecommunications functions and responsibilities. They are also responsible for coordinating the planning and provision of national security and emergency preparedness communications for the Federal government under all circumstances, including crisis or emergency, attack and recovery, and reconstitution.

The National Security Information Exchange (NSIE) process was established as a forum in which government and industry could share information in a trusted and confidential environment to reduce the vulnerability of the Nation's telecommunications systems to electronic intrusion. The NSIE process continues to function today, demonstrating that industry and government will share sensitive security information if they find value in doing so.

- The Transportation Security Administration (TSA) regularly works with key air transport organizations. In the event of a disaster, TSA works with these organizations to assist in the disaster response efforts. For example, during Hurricane Katrina, TSA, through its ongoing relationship with the Air Transport Association (ATA), facilitated air transportation from ATA member airlines to over 20,000 disaster victims.
- The Office of Cyber Security and Communications (CS&C), is working in partnership with the Office of Infrastructure Protection, Sector-Specific Agencies, and public- and private-sector security partners, and is committed to preventing, protecting against, responding to, and recovering from cyber attacks and their consequences. CS&C's strategic goals include preparing for and deterring catastrophic incidents by achieving a collaborative risk management and deterrence capability with a mature information sharing partnership between government and the private sector. This strategic goal also encompasses tactical efforts to secure and protect the Nation's cyber and communications infrastructures from attacks and disasters by identifying threats, vulnerabilities, and consequences.

A number of initiatives are currently under way to identify vulnerabilities to the Nation's critical infrastructure, assess their potential impact, and determine appropriate mitigation strategies and techniques. CS&C supports the management of risk to the information technology and communications sectors' critical functions and infrastructures that support homeland, economic, and national security; it works to reduce the likelihood of success and severity of impact of a cyber attack against critical infrastructure control systems; detects and analyze cyber attacks; and facilitates the identification of systemic risks across the Nation's CI/KR sectors.

The Private Sector Office staff is assigned a portfolio which covers many of our largest components such as Customs and Border Protection, Immigration and Customs Enforcement, the Transportation Security Administration and the Federal Emergency Management Agency. The Private Sector Office often acts as a catalyst with Department components to cultivate and foster their own public-private partnerships.

Part III –Strengthening Emergency Preparedness and Response through Public-Private Partnerships

The concept of leveraging public-private partnerships to strengthen emergency preparedness and response is gaining momentum every day. There is a movement on the part of both government and the private sector to form partnerships to better prepare and respond to crises. We see a tremendous opportunity for the private sector to be a vital partner in preparing communities, offering support in disaster response and being part of the solution during long term recovery.

Leveraging Partnerships in Emergency Preparedness

We believe that members of the private sector can be strong partners in preparing their communities for disaster. Companies that prepare their own operations, employees, and assets for an emergency are an important part of their community's preparedness efforts. In addition to taking part in the preparedness, planning and exercise process, all companies large and small can share their practices and become preparedness ambassadors in their communities. We use all of the Department's available resources and reach out through our partnerships to encourage emergency preparedness.

Adoption of the Preparedness and Business Continuity Standard - the NFPA 1600

PSO and the Department supports the active use and outreach of programs based on the *Preparedness and Business Continuity Standard NFPA 1600* as developed by the National Fire Protection Association and endorsed by the American National Standards Institute and the 9/11 Commission.

A successful example of this adoption is *Ready Business*. In 2004, the U.S. Department of Homeland Security's *Ready* Campaign and the Advertising Council launched *Ready Business*, an extension of its successful campaign to educate Americans about what they need to do to prepare for emergencies. Based on the principles of NFPA 1600, *Ready Business* was developed by the Department and launched in partnership with the U.S.

Chamber of Commerce, the Small Business Administration, the Society of Human Resource Management, The Business Roundtable, The 9/11 Public Discourse Project, ASIS International, Business Executives for National Security, the International Safety Equipment Association, the International Security Management Association, the National Association of Manufacturers, the National Federation of Independent Businesses, and the Occupational Safety and Health Administration.

The goal of *Ready Business* is to raise the business community's awareness of the need for emergency planning and motivate businesses to take action. The campaign encourages business owners and managers to plan to stay in business, talk to their employees, and protect their investment.

The campaign's messages are delivered through television, radio, print, outdoor and Internet public service advertisements (PSAs) developed and produced by the Advertising Council, as well as through brochures, the www.ready.gov and www.listo.gov Web sites, the toll-free phone lines 1-800-BE-READY and 1-888-SE-LISTO, and partnerships with a wide variety of public and private sector organizations.

Ready Business also has a Spanish language companion, Listo Negocios, which provides several Ready Business tools and resources translated into Spanish.

In May 2006, the *Ready* Campaign launched the *Ready Business* Mentoring Initiative. This initiative is designed specifically to help owners and managers of small and medium sized businesses prepare for emergencies. Materials were created to assist business and community leaders in hosting and delivering business preparedness workshops and training sessions. These sessions and the *Ready Business* Mentoring Guides outline how businesses can plan to stay in business after an emergency, talk to employees, and protect their assets. Workshop materials were provided through collaboration through USDA Cooperative Extension Service funded Education Disaster Extension Network (EDEN).

To reach businesses and business organizations across the country, the Department reached out to the U.S. Department of Commerce, the Small Business Administration, the U.S. Department of Agriculture and the nation's leading business organizations to distribute the *Ready Business* Mentoring Guides and access its resources.

State and Local Collaboration with the Private Sector

PSO encourages the connection of the private sector to state and local community based programs. For example, through FEMA's Citizen Corps program, the private sector can connect with State and local government, citizens and first responders through State and local Citizen Corps Councils. Citizen Corps' primary mission is to bring community and government leaders together in an all-hazards emergency preparedness, planning, mitigation, response, and recovery framework. The Citizen Corps nationwide network includes more than 2,200 Citizen Corps Councils located in all 56 States and Territories. Councils are encouraged to include the business community and integrate business resources with community preparedness and response preparedness activities, planning, and exercises.

Citizen Corps' Partner Programs also collaborate with businesses. National Partner Programs include more than 2,600 Community Emergency Response Teams (CERT) and hundreds of Fire Corps, Medical Reserve Corps, Neighborhood Watch, and volunteers in Police Service programs around the country. Many CERTs already include the business community in their training and exercises. For example, the San Diego County CERT has trained local utility and telecomm employees as part of their partnerships, and many CERTs have adapted the curriculum to business needs, providing Business Emergency Response Training for employees.

An important priority for Citizen Corps Councils at all levels is to educate and inform Americans in all sectors—including the private sector—about steps they can take to be prepared. The Citizen Corps program works closely with the *Ready* Campaign, making *Ready Business* and other *Ready* materials widely available. Furthermore, Citizen Corps encourages its Councils to work with local emergency management and to incorporate work continuity plans and planning in specific community context.

PSO also supports outreach by State and local government to the private sector. Last month PSO worked with the City of Charlotte and its Chamber of Commerce as well as with the U.S. Chamber of Commerce in the design and development of the Charlotte Regional Business Preparedness Summit. This summit provided the business community with Federal resources, a forum to engage Charlotte's Office of Emergency Management and its local first responder community, a forum to engage Federal, State and local public health officials regarding Pandemic Flu, a showcase to highlight best practices in Charlotte's business community for business continuity planning, and finally, a first hand opportunity to learn the fundamentals of business continuity as outlined by the NFPA 1600.

This event was a pilot initiative with our office and the U.S. Chamber of Commerce to increase engagement of business owners and operators on the importance of business continuity planning, emergency response coordination and pandemic flu preparedness. As a result of this pilot the Private Sector Office is working with the *Ready* Campaign to create a toolkit for communities to will help them bring together the business community with local government to educate, encourage and empower local businesses owners and operators to be prepared and to involve them in community preparedness planning and outreach initiatives.

Business Preparedness Awareness

The PSO supports the Department's business preparedness awareness and outreach. One of the largest outreach initiatives held by the Department is National Preparedness Month. Held in September, it encourages Americans to prepare for emergencies in their homes, businesses, and communities. For the first time, the NPM will specifically dedicate an entire week, September 9-15th to encouraging business preparedness.

I want to thank the Homeland Security Committee Chairman Thompson and Ranking Member King, as well as Senators Joe Lieberman and Susan Collins, for their leadership

and agreeing to serve as honorary Congressional co-chairs of National Preparedness Month.

This year's effort already has a growing coalition of more than 625 national, regional, State, and local organizations pledging support, many of which are based in the private sector.

National Preparedness Month coalition members, a majority of which are private sector partners, have agreed to distribute emergency preparedness information and sponsor activities across the country that will promote emergency preparedness.

Pandemic Flu Preparedness

PSO supports DHS components in the development and outreach objectives of the Pandemic Planning Guide for Critical Infrastructure and Key Resources. This guide was created in partnership with the Department of Health and Human Service's Centers for Disease Control based on the principles of the national standard for business continuity, the NFPA 1600. In partnership with SafeAmerica and the U.S. Chamber of Commerce, PSO participated in a series of pandemic flu preparedness events across the country. PSO reached out to the DHS Chief Medical Officer, the DHS Office of Infrastructure Protection and to the U.S. Department of Health and Human Services, U.S. Department of Education, U.S. Department of Labor and the U.S. Department of Agriculture to promote joint pandemic outreach initiatives.

The Department also collaborated on the development of pandemic planning checklists for a variety of audiences to include individuals and families, businesses, communities, healthcare, schools as well as State and local governments. These checklists are utilized by thousands of individuals and organizations as they begin and refine their pandemic plans. These checklists, in addition to the planning guidance published by DHS, are aiding citizens and businesses as they do their part to become more resilient community—not only for a pandemic, but for any type of emergency.

Encouraging Interagency Collaboration with the Private Sector

PSO encourages collaboration between the Federal government and the private sector to promote emergency preparedness. For example, PSO worked with the DHS Office of Infrastructure Protection to coordinate with the Department of Energy (DoE) to encourage owners and operators of gasoline stations to wire and install generators to operate fuel pumps in case of a power outage. Additionally, the Department worked with DoE to sponsor exercises that included electrical and oil and natural gas industry. We also sought to identify lessons learned and needed changes to protocols. Industry also participated in a lessons learned forum to identify best practices and needed changes to prevention, protection, response and recovery.

Leveraging Information Sharing, Communications and Collaboration with the Private Sector

The Department manages many programs and initiatives which regularly foster communications and facilitate the sharing of information between the government and the private sector. In fact, we believe that homeland security is our nation's greatest public-private partnership. We believe that utilizing the capacity of private sector to expand the reach of emergency response and public safety networks is vital in mitigating potential loss of life and property in an emergency. Simultaneously, the private sector is also eager to acquire accurate and timely information from all levels of government to be able to act quickly as part of their risk management processes and to protect their employees, operations, and assets.

PSO works with FEMA to institutionalize the concept of information sharing through public-private partnerships and to integrate the private sector into FEMA's communications, outreach, and operations. For example, we are assisting FEMA in its proactive approach of incorporating the private sector into emergency operations.

We are also helping FEMA incorporate private sector expertise into its operations by creating the FEMA Loaned Business Executive Program. This initiative will bring seasoned experts from the private sector into FEMA operations to serve as advisors and collaborators on mission critical programs such as logistics, credentialing, and incident response.

Working with FEMA's National Exercise Division and the Office of Infrastructure Protection, PSO encourages the private sector to train and exercise their business emergency plans. Two highly successful national exercise programs that encourage the inclusion and participation of the private sector are detailed below.

National Top Official Exercise: TOPOFF 4

FEMA's National Exercise Program manages the Top Officials 4 (TOPOFF 4) exercise set to take place in October 2007. This is the Nation's premier terrorism preparedness exercise, involving top officials at every level of government, as well as representatives from the international community and private sector. Sponsored by DHS, TOPOFF 4 is the fourth exercise in the TOPOFF Exercise Series, a congressionally mandated exercise program. Each TOPOFF exercise involves a two-year cycle of seminars, planning events, and exercises culminating in a full-scale assessment of the Nation's capacity to prevent, prepare for, respond to, and recover from terrorist attacks involving Weapons of Mass Destruction (WMD).

National Cyber Exercise: Cyber Storm II

The National Cyber Exercise Cyber Storm II, scheduled for March 2008, is a national cybersecurity initiative designed to exercise communications, coordination, and partnerships across the public (Federal, State, local and international) and private sectors in the event of a cyber attack. The exercise will allow participants from government and the private sector to examine their capabilities to prepare for, protect, and respond to

the potential effects of cyber attacks. Cyber Storm II will also provide public and private sector participants with the opportunity to build relationships for further collaboration, especially during an emergency.

Leveraging the Private Sector in Emergency Response

While the private sector holds resources and expertise which the government may seek to utilize in responding to and recovering from a disaster, there are several challenges that stand in the way of realizing a full partnership. There are legal and proprietary limitations which may hinder the private sector's ability become a full partner in preparedness as well as provide solicited goods and services to the government in the event of an emergency. As I mentioned earlier, this is a limitation that may deter the private sector from becoming involved in preparedness activities for fear of liability and loss of an economic opportunity. Conversely, governments at all levels must abide by specific procurement law, regulations, and requirements when acquisitioning goods and services from the private sector. These impediments may reduce the ability for government to leverage the resources and assets of the private sector in an emergency.

All levels of governments are looking for ways to bridge the ability of the private sector to work with governments. For example, FEMA has now created pre-negotiated contracts for emergency services to be able to expedite the procurement process and deliver goods and services to an effected area quickly. This action was taken from lessons learned during the 2005 hurricane season. We have seen that State and local governments have also begun a similar process to ensure that goods and services can be brought to bear in a cost effective and expedited manner.

We understand that while many in the private sector seek to provide solicited goods and services to governments during an emergency, there are many businesses across the world who, acting as good corporate citizens, want to "do something". The private sector, just like individuals, seeks to contribute in their own way by offering unsolicited goods, services, and volunteers to aid State and local government in disaster response. We saw this during the 2004 hurricane season when companies from around the world offered boats, planes, communications, and volunteers to Federal, State and local government. It was after that season that the Private Sector Office created the National Emergency Response Registry (NERR), which managed (in a virtual environment) the offers of unsolicited goods and services. However, during Hurricane Katrina, NERR was unable to adequately manage the flood of unsolicited offers of goods and services. To replace NERR and address the need for a robust donation management system during a crisis, FEMA reached to AIDMATRIX, a nonprofit organization who, through a grant from FEMA, has created a virtual superhighway for all levels of government, the private sector and nonprofits to connect and share unsolicited offers of products, services and volunteers both for crisis management and everyday mission support.

Subsequently the NERR framework was retooled to create FEMA's Debris Contractor Registry. This is an electronic database developed to assist State and local governments

identifying and contacting debris removal contractor resources. The information is provided and maintained by contractors and their representatives.

We believe that a company's greatest asset is its people. We have seen an increase in the number of corporations providing assistance to employees who have been affected by an emergency. By taking care of their employees, the private sector knows they are more able to get their operations back online quickly after an interruption. For example, many corporate employee assistance programs are now being tailored to assist the response and recovery needs of employees who may have been severely impacted by a disaster. We found that during the 2005 hurricane season, companies provided housing for not only their impacted employees, but also to their extended families, while also providing services such as job placement, health and medical care. We have also seen companies utilize technology tools to locate and mobilize assistance to their employees within minutes. For example, a company utilized an online mapping system with their employees' home addresses to quickly locate their employees in the event of an emergency. Within minutes of the Enterprise, Alabama tornados, they were able to locate and mobilize targeted assistance to employees whose homes were in the area of the tornado. This type of rapid response to employee safety and well-being is just one example of how the private sector can transform how organizations of all kinds prepare their employees, operations, and assets for an emergency.

The Private Sector Office provides support to assist the Department's components in empowering and engaging the private sector to be a full partner in emergency preparedness and response. Public-private partnerships can expedite the preparedness and recovery processes by creating an environment of relationship building and information sharing which in turn may create better communication, trust, and collaboration between government and the private sector.

Summary

Public - Private Partnerships have existed in the United States for many years. They often have very diverse membership involving one or more levels of government and can also involve varying numbers of private sector organizations.

One essential characteristic of a successful Public - Private Partnership is that it must provide clear benefits to all parties, including a shared and valued outcome. These benefits constitute the "value proposition" of the Partnership and define the motivations and contributions that members bring to it.

There are very many types of Public - Private Partnerships. The more successful ones have a scope and purpose that results in continuing benefits to the public and private participants and also have "champions" in both the public and private sectors. Mishandling of shared information between the public and private participants, changing goals of government or private sector partners, loss of "champions", and potential liability for sharing information are among the main risks that can cause premature termination of Public - Private Partnerships.

The results and impacts of Public - Private Partnerships for prevention, protection, response, and recovery have been very positive and have increased in the past five years both from pre-existing partnerships and from newly created ones.

Public-private partnerships are not “disguised charity” by the private sector. Good partnerships serve common public/private sector interests, and private partners must be chosen carefully based on their business interests and resources. Public-private partnerships are not a means to shift the public burden away from government. However, a “partnership” in its truest state, is where both partners contribute their core skills and services as a joint effort. This collaboration creates an environment which builds trust, communication and cooperation. These results only enhance our nation’s ability to better prevent, protect against, respond to, recover from an act of terrorism or a natural disaster.