



BARACK OBAMA: REBUILDING THE GULF COAST AND PREVENTING FUTURE CATASTROPHES

"Let New Orleans be the place where we strengthen those bonds of trust, where a city rises up on a new foundation that can be broken by no storm. Let New Orleans become the example of what America can do when we come together, not a symbol for what we couldn't do."

[Speech in New Orleans, 8/26/07]

OBAMA'S PLAN TO REBUILD THE GULF COAST & ENSURE CATASTROPHIC FAILURES NEVER HAPPEN AGAIN

As president, Barack Obama will keep the broken promises made by President Bush to rebuild New Orleans and the Gulf Coast. And he will take steps to ensure that the federal government will never again allow such catastrophic failures in emergency planning and response to occur.

Barack Obama swiftly responded to Hurricane Katrina. Citing the Bush administration's "unconscionable ineptitude" in responding to Hurricane Katrina, Obama introduced legislation requiring disaster planners to take into account the specific needs of low-income hurricane victims. Obama visited thousands of Hurricane survivors in the Houston Convention Center and later took three more trips to the region. He worked with members of the Congressional Black Caucus to introduce legislation to address the immediate income, employment, business and housing needs of Gulf Coast communities.

As president, Barack Obama will partner with the people of the Gulf Coast to rebuild now, stronger than ever.

1. REBUILD NOW STRONGER THAN EVER

The people returning to New Orleans and the Gulf Coast are heroes who believe in their communities and are succeeding despite the fact that they often have not received the support they deserve from the federal government.

A. SAFETY AND SECURITY

Strengthen the Levees: Two years after Katrina and despite a billion dollars spent to strengthen the levees, New Orleans is still not protected from a major storm. The levee rebuilding has been piecemeal and disorganized, and major sections of the city remain nearly as vulnerable as they were before the storm. As president, Barack Obama will ensure that New Orleans has a levee and pumping system to protect the city against a 100-year storm by 2011, with the ultimate goal of protecting the entire city from a Category 5 storm. Obama will also direct revenues from offshore oil and gas drilling to increased coastal hurricane protection.

Restore the Wetlands: Levees and floodwalls are not the only way to protect against a storm. Every four miles of wetlands can absorb about a foot of a hurricane's storm surge, but Louisiana is losing an acre of wetlands – the equivalent of three football fields – every 24 minutes.¹ Barack Obama will help the Gulf Coast restore the

wetlands, marshes and barrier islands that are critical to tamping down the force of hurricanes. He will work with local governments to develop the best strategies for protecting and expanding wetlands. As president, Obama will immediately close the Mississippi River Gulf Outlet, which experts say funneled floodwater into New Orleans.

Fight Crime: Katrina decimated the region's criminal justice system, destroying police stations and courthouses, and scattering police officers. New Orleans had the nation's highest murder rate in 2007, led the nation in murders per capita in 2007.² Four of the city's police stations and police headquarters continue to operate out of FEMA trailers.³ As president, Barack Obama will finish rebuilding the region's criminal justice system so that we do not have to rely on the National Guard to patrol city streets. He will establish a special "COPS for Katrina" program to allow communities impacted by the storm to hire and retain new officers and community prosecutors, develop community-based crime fighting strategies, and rebuild their lost infrastructure. Obama will strengthen Drug Enforcement Administration efforts to stop the reestablishment of drug gangs across the region. He will help local, state, and federal law enforcement agencies come together to establish an integrated regional crime control partnership so that each police chief and sheriff doesn't have to face these crime problems alone.

B. INFRASTRUCTURE

Shake the Money Loose: A large portion of the federal money committed to rebuilding the Gulf Coast has not yet reached local communities. For example, the federal government allocated \$6.3 billion to Louisiana for restoring infrastructure. But by December 2007, Louisiana has only received 46 percent of those funds.⁴ In the Senate, Obama successfully worked to waive the 10 percent state and local match requirement for Katrina recovery as was done after 9/11 and Hurricane Andrew.

As president, Obama will ensure resources reach the communities that need it. Obama will streamline the application process so that communities feel that FEMA is a partner in reconstruction, not an opponent. He will elevate the federal rebuilding coordinator so that he or she reports directly to the president and so that rebuilding remains a national priority. Obama will work closely with the state to distribute critical infrastructure dollars. He also will ensure that no unnecessary red-tape or burdensome regulations are holding up state and local plans, while retaining the need for public accountability.

Rebuild Hospitals: New Orleans only has two-thirds of its pre-Hurricane hospitals operational today.⁵ Doctors, nurses and other workers are in short supply and area residents must drive many miles for care. In the Senate, Barack Obama introduced legislation to improve, modernize, and repair health facilities damaged by Hurricane Katrina, and to assist individuals and hospitals in Gulf Coast communities that disproportionately experience health disparities. As president, he will rebuild broken facilities and provide incentives, such as loan forgiveness, to lure medical professionals back to the region. He will fight to establish a major medical complex in downtown New Orleans that will serve the entire community. He will also push to quickly build a new, state-of-the-art Department of Veterans Affairs hospital in New Orleans so that the city's veterans can get top-quality care.

Rebuild Schools: As of January 2008, 58 school facilities in New Orleans remain closed.⁶ Across the region, student achievement has declined.⁷ In the Senate, Barack Obama introduced legislation with Senator Mary Landrieu (D-LA) to enable public schools affected by Katrina to immediately attract and retain top talent. He also introduced legislation to help three historically black colleges and universities in New Orleans recruit and retain students and faculty. Obama has proposed a loan forgiveness program to encourage students to return to institutions of higher education in the affected Gulf area. As president, Obama will help communities in the Gulf make necessary school infrastructure investments so all kids from all backgrounds have safe and supportive environments to learn.

Restore Housing: The lack of affordable housing in New Orleans has prevented many Katrina victims from returning to the city. And the city's homeless population is approximately double what it was before the hurricane. The Road Home Program is the largest housing recovery program in the nation's history, designed to help homeowners with up to \$150,000 in assistance and provide rental property owners with incentives to build affordable housing.⁸ However, as of October 2007, the program has provided grants to fewer than a quarter of all applicants, and grant amounts to families continue to decline.⁹ In the Senate, Obama recognized the right of Gulf Coast residents to return to their homes, supported increased funding for the Road Home Program, supported rental assistance so that families still living in FEMA trailers could move into decent and affordable housing, and increased funding for the Housing Authority of New Orleans. As president, Obama will work with the state to establish a goal for approving all Road Home applications within two months. He will also work to increase the supply of rental property, which is particularly important in New Orleans where 57 percent of pre-Katrina residents were renters.¹⁰

Improve Transportation: As of July 2007, only 19 percent of New Orleans buses are running on 50 percent of the pre-Katrina routes.¹¹ Barack Obama will help the New Orleans area develop regional transit partnerships so that public transit can be integrated across parish lines, providing seamless transportation options, including a possible light rail line to connect New Orleans and Baton Rouge through the petrochemical corridor in between.

C. ECONOMIC DEVELOPMENT

The New Orleans region's economy has recovered faster than many would have expected with sales tax revenue, total employers, jobs and labor force size returning to at least 79 percent of pre-Katrina levels. However, some parts of the region have not recovered and are losing employers.¹²

Ensure Locals Can Get Recovery Jobs: Barack Obama believes that Gulf Coast residents who lost their jobs as a result of Katrina should be given a fair chance of regaining employment. In the Senate, Obama introduced legislation to increase the government-wide procurement goal for contracts awarded to small businesses for recovery and reconstruction activities related to Hurricane Katrina. He will fight to ensure more Katrina-related recovery or reconstruction activities can be done by local residents. These measures would ensure that Gulf Coast residents, and not big corporations, will rebuild their communities. As president he will work to improve job training in the area as well.

Provide Incentives to Employers in Hardest-Hit Areas: Orleans and St. Bernard Parishes have lagged behind the more prosperous Jefferson and St. Tammany parishes both in terms of population recovery and economic activity. For example, over 50 percent of businesses in St. Bernard Parish and 20 percent of Orleans Parish businesses have not returned after the storm.¹³ As president, Obama will target tax incentives to lure businesses to the hardest hit areas of the Gulf Coast including downtown New Orleans and St. Bernard Parish.

Support Financial Infrastructure: Access to capital has become a major problem in the Gulf Coast recovery process. Barack Obama introduced legislation in the Senate to support local banks and credit unions impacted by the Hurricane in continuing to serve and stabilize neighborhoods. As president, he will continue to support local banks and other key financial institutions so that businesses and families have access to the financial services they need.

Fix FEMA Insurance Rules: The Federal Emergency Management Agency (FEMA) recently changed the insurance requirements that local governments and nonprofits must meet to be eligible for public assistance in times of disaster. Under the new rules, entities would be ineligible to receive help from FEMA to pay an insurance deductible if FEMA has helped them before. This will have a negative impact on governments and nonprofits across the Gulf Coast that have been hit by hurricanes and disasters over the years. As president, Obama would reverse this policy so that local governments and nonprofits do not have to face risks alone.

2. NEVER AGAIN

Barack Obama will take the lessons of Katrina seriously and will ensure that we never face the same problems again.

Fix FEMA: FEMA's failures to adequately respond to Hurricane Katrina contributed to the loss of life and property across the Gulf Coast. As president, Barack Obama will professionalize and depoliticize the appointment of FEMA's director. Like the Director of the Federal Bureau of Investigation, the FEMA Director will have a fixed term of office to insulate him or her from politics. The FEMA Director will report directly to President Obama, serve a six-year term and will have professional emergency management experience.

Fix the Small Business Administration: Many of New Orleans' small businesses failed following the storm because they did not have sufficient capital to ride out the aftermath of the storm. The Small Business Administration (SBA) is supposed to step in during catastrophes, but was quickly overwhelmed with applications following Katrina. As president, Barack Obama will fix the SBA bureaucracy so that it can step in during a disaster and provide assistance.

Adequately Plan for Emergency: Even though federal officials long knew of the possibility of a catastrophic levee failure and had several days warning of Katrina's potential threat to New Orleans, it took four days for National Guard troops to begin relieving victims at the Superdome, the city's shelter of last resort. Our nation's emergency response needs to improve. In the Senate, Barack Obama successfully pushed for legislation to plan for evacuating people with special needs including the poor, the elderly, the disabled, and those with limited English skills. He also successfully pushed for a National Family Locator System so that those displaced by emergencies can quickly be reunited with their loved ones. As president, Obama will dramatically improve disaster planning. He will work with emergency management officials, emergency responders and other experts from all 50 states to create a real National Response Plan that provides for real cooperation between states, locals and the federal government in the face of a disaster. Obama's FEMA will provide real training to emergency responders and professionals in states and localities to ensure that all areas of the country have the human resources necessary to respond to disasters.

Direct Rebuilding Efforts from the White House: Immediately following a catastrophe, Barack Obama will appoint a Federal Coordinating Officer to direct reconstruction efforts. The job of the FCO and his or her staff will be to cut through bureaucratic obstacles, get federal agencies to work together and to coordinate efforts with local officials. Obama will ensure bipartisan staffing to ensure that politics do not override the real needs of the recovering community.

Minimize Waste and Abuse: After Hurricane Katrina, the Federal Emergency Management Agency used emergency authority to enter into open-ended, no-bid contracts. What was meant to be a temporary stop-gap ballooned into wasteful contracts lasted many months and may have wasted up to \$2 billion in taxpayer dollars according to government investigators.¹⁴ In the Senate, Barack Obama teamed up with Senator Tom Coburn (R-OK) to pass legislation to fight this practice by restricting the use of emergency contracting only to urgent needs in the immediate response to emergencies. The two senators have introduced legislation to establish better oversight of Katrina reconstruction funds and have placed consistent pressure on FEMA to reduce wasteful contracting practices. As president, Obama will appoint a Chief Financial Officer to oversee the rebuilding following national disasters to minimize waste and abuse.

Provide an Insurance Backstop: The damage caused by catastrophic hurricanes and other natural disasters over the past few years makes clear that we need a paradigm shift in how the Federal government responds to major emergencies. Rather than only stepping in after the fact with expensive clean-ups and financial bailouts, the federal government should work with the insurance industry before the next major disaster to set up an efficient catastrophe insurance "backstop" that protects both homeowners and business owners against

catastrophic loss. Barack Obama will create a National Catastrophe Insurance Reserve that would be funded by private insurers contributing a portion of the premiums they collect from policyholders. Such a framework would neither distort the insurance market nor discourage risk avoidance and risk mitigation investments because insurers would not be forced out of high-risk markets for fear of bankruptcy in the event of a disaster. With this program in place, disaster victims would no longer have to depend solely on taxpayer-funded federal disaster aid loans. It has been estimated that a properly managed fund could save homeowners \$11.6 billion on annual insurance premiums.¹⁵

¹ St. Petersburg Times, 09/05/08, http://www.sptimes.com/2005/09/05/Worldandnation/Katrina_offers_lesson.shtml; Scientific American, 10/01/01, <http://www.sciam.com/article.cfm?id=00060286-CB58-1315-8B5883414B7F0000&print=true>

² Chicago Tribune, 12/31/07, http://www.chicagotribune.com/news/chi-nola_crimedec31,0,5242828.story?page=1

³ Brookings Institution, 01/15/08, <http://www.gnocdc.org/NOLAIndex/NOLAIndex.pdf>

⁴ Brookings Institution, 08/07, <http://www.gnocdc.org/NOLAIndex/ESNOLAIndexAug07.pdf>; 01/15/08, <http://www.gnocdc.org/NOLAIndex/NOLAIndex.pdf>

⁵ Brookings Institution, 01/15/08, <http://www.gnocdc.org/NOLAIndex/NOLAIndex.pdf>

⁶ Greater New Orleans Data Center, 01/08, http://www.gnocdc.org/maps/orleans_schools.pdf

⁷ Amy Liu, Brookings Institution, Senate Testimony, 09/25/07, http://banking.senate.gov/_files/liu.pdf

⁸ LouisianaRebuilds.info (a Living Cities project), <http://www.lpb.org/programs/LApublicsquare/LRARoadHome.pdf>

⁹ Amy Liu, Brookings Institution, Senate Testimony, 09/25/07, http://banking.senate.gov/_files/liu.pdf

¹⁰ New Orleans Times-Picayune, 04/05/07, http://blog.nola.com/topnews/2007/04/storm_forecasters_lack_tools_o.html

¹¹ Brookings Institution, 01/15/08, <http://www.gnocdc.org/NOLAIndex/NOLAIndex.pdf>

¹² Brookings Institution, 08/07, <http://www.gnocdc.org/NOLAIndex/ESNOLAIndexAug07.pdf>

¹³ Brookings Institution, 01/15/08, <http://www.gnocdc.org/NOLAIndex/NOLAIndex.pdf>

¹⁴ MSNBC, 12/25/06, <http://www.msnbc.msn.com/id/15587326/>

¹⁵ Protecting America, 05/14/07, <http://www.protectingamerica.org/?PFID=21&PID=172>