



New York State Emergency Management Office

FINAL REPORT JOINT LOSS REDUCTION PARTNERSHIP PROJECT

DECEMBER 31, 1998

PARTNERSHIP ORGANIZATIONS

*Albany Times Union
Bell Atlantic
Chase Manhattan Bank
Computer Solutions Group
Consolidated Edison
Contingency Planning Exchange
Depository Trust Company
Empire State Development
Erie County Department of Emergency Services
Federal Emergency Management Agency
Federal Reserve Bank
Goldman, Sachs & Company
Governor George E. Pataki's Office
Fleet Bank
IBM
J&H Marsh & McLennan*

*M&T Bank
Merrill Lynch
Monroe County Department of Transportation
Nassau County Emergency Management Office
New York Central Mutual Insurance
New York Clearing House
New York State Emergency Management Office
New York State Emergency Managers Association
New York State Police
New York Times
Niagara Mohawk
Onsite Energy
Rensselaer County Bureau of Emergency Services
Troy Savings Bank
United Hospital Medical Center
Utica Department of Public Safety
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**JOINT LOSS REDUCTION PARTNERSHIP
FINAL REPORT**

EXECUTIVE SUMMARY

The Joint Loss Reduction Partnership Project began in 1997, as the result of a concerted effort on the part of the New York State Emergency Management Office (SEMO). SEMO realized that economic growth and expansion of the state's business sector needed to include some level of focused effort on hazard mitigation and emergency preparedness. Businesses had become increasingly aware that natural disasters, terrorism, and environmental hazards could pose serious threats to themselves and their communities.

The planning for a public/private partnership in emergency management was a new and innovative concept. The Federal Emergency Management Agency (FEMA) readily agreed that coordinated planning efforts between the public and private sectors was essential in making a community "disaster resistant". for these initiatives to become reality. FEMA was directly involved in similar partnerships elsewhere in the United States. New York communities would benefit greatly by an initiative of this magnitude. These activities became the focus of a series of regional task forces, and ultimately, the Joint Loss Reduction Partnership Committee.

The Joint Loss Reduction Partnership Committee was composed of representatives from both the public and private sectors, working together toward the common goal of making New York State's businesses and communities more prepared to face the uncertainties of disasters. The development of a strategic plan for implementing a disaster preparedness model became the primary focus of the committee. The results of this committee's dedication and hard work is contained in this final report.

The members of the committee who volunteered their time and talent should be commended for the dedication and professionalism which they brought to the group. This final report outlines the work accomplished by each of the subcommittees as they convened to address each individual assignment. The amount of work accomplished is indicative of the professionalism brought to this committee by those representatives and their organizations.

In addition, recommendations have been provided to allow others to utilize this document as a "working tool" to assist with the implementation of similar efforts elsewhere in the United States. It is hoped that this report will enable other entities to replicate the work of the Joint Loss Reduction Partnership Committee to make their businesses better prepared for disasters, thereby protecting the economic climate of their communities.

I. BACKGROUND

A. HISTORICAL PROGRESSION TO THE JOINT LOSS REDUCTION PARTNERSHIP

The Joint Loss Reduction Partnership began in 1997, as the result of a concerted effort on the part of the New York State Emergency Management Office (SEMO). Prior to the formation of this partnership, the Emergency Management Office had hosted a summit and had facilitated the operation of task forces, with the specific purpose to initiate dialog and discussion between government agencies and the private sector. Their mission: investigate the need for improved emergency management strategies among the private sector in New York State.

Beginning on an experimental basis in late 1996, with the major effort initiated in January 1997, SEMO presided over a process in several regions of New York State through which groups of business and government officials identified, with a great degree of specificity, mutual emergency management needs. Called the Joint Planning Task Forces, their work provided a foundation for the establishment of enhanced industrial protection within the state through a more inclusive emergency management network.

SEMO facilitated the operation of the task forces in five regions of the state, with participants comprising many of the state's major industries. The task forces identified specific needs that the business community had in the area of emergency management. The outcomes of the individual task force meetings and their recommendations became the basis for the work undertaken by the Joint Loss Reduction Partnership Committee.

SEMO believed that two parallel challenges existed for the State of New York and the Federal Emergency Management Agency (FEMA) in expanding joint business-government emergency management efforts. The first of these challenges was the establishment of an enhanced system in which the public and private sectors worked together to reduce emergency

losses. There was an increased expectation among the citizenry that federal and state agencies would work quickly and effectively to return disastrous situations to "normal" - with minimum disruptions to key symbols of daily life, such as the workplace.

The second of these challenges was to deliver tangible positive outcomes as the result of the implementation of the first challenge. SEMO's hazard mitigation efforts over the last several years established a standard for presenting demonstrable benefits as the result of its loss reduction initiatives. As the result of the task forces' findings, SEMO developed measurable objectives to be used in developing a working model of public-private sector emergency management cooperation.

To find solutions to the issues identified by the regional task forces, SEMO developed and submitted a proposal to FEMA for a one-time grant of \$250,000 in the summer of 1997. The office of Congressman Sherwood Boehlert announced the award of funding for this project in September 1997. In addition to this grant award, the project received complimentary funding in the amount of \$320,000 from donations and in-kind contributions from New York State and the project's corporate participants. FEMA recognized that this innovative and essential effort would provide benefits for the entire nation, and would work consistently with the concept of building "disaster resistant communities", a national hazard mitigation emphasis.

1. DISASTERS IN NEW YORK STATE

New York State has experienced a number of disasters and emergencies in recent years which have significantly affected the private sector. Events such as the World Trade Center Bombing in 1993, the blizzards and flooding of 1996, the TWA Flight 800 explosion in 1996, and the Ice Storm of 1998, among other incidents, have created an increased awareness to the needs of the private sector to be prepared for disasters. Effective emergency response could mean the difference between economic recovery or business failures.

Responding to the needs created by occurrences such as these, SEMO initiated a number of steps in 1995 and 1996 to facilitate discussions with private corporations. The primary purpose of these discussions was to focus on means to improve the preparedness capabilities of the private sector. SEMO was heartened by the private sector's interest in further enhancing its business continuity operations, as well as its willingness to support governmental emergency management initiatives.

2. STATE HAZARD MITIGATION SUBCOMMITTEE

A Hazard Mitigation Policy Summit was hosted by the New York State Emergency Management Office (SEMO) in 1995. The summit's purpose was to receive direction from a varied grouping of government and business officials representing organizations throughout New York State.

The effort by SEMO echoed a national focus on hazard mitigation led by FEMA Director James Lee Witt. The summit sought to propel previously started efforts from a state of inactivity to a more proactive response to loss reduction and mitigation.

The sentiment of those who gathered at the summit was to aggressively pursue loss reduction efforts, and include the business community as an active partner in the state's endeavors. As the result of the 1995 summit, a permanent State Hazard Mitigation Policy Committee was created. This committee has continued to operate through the work of several subcommittees, comprised of a membership roster which includes personnel from banks, insurance companies, and power utilities.

3. ROUND TABLES

SEMO hosted several round table discussions with business and community leaders, to further ascertain the influence of the business sector on the mitigation efforts in New York State. One of the most significant of these round tables was held in Manhattan on May 2, 1996 for key corporate representatives, many of whom had directly experienced the blizzard/floors of earlier that year. Sixteen participants offered ideas and suggestions which provided the impetus for a more concentrated look at corporate emergency management.

4. COLLABORATION WITH THE NEW YORK STATE BUSINESS COMMUNITY

The efforts of SEMO included project management and staff support throughout the planning process. Within the private sector, extraordinary leadership was provided through the Troy Savings Bank and the Contingency Planning Exchange. These organizations worked closely with SEMO staff to create the focus and direction of the task forces which came together as a planning unit during the course of the project.

These corporate efforts created the impetus for the establishment of the Joint Planning Task Forces in the fall of 1996, and continuing into 1997. SEMO presided over a series of task forces in five regions of New York State. These task forces were composed of groups of business and government officials, whose purpose was to identify mutual emergency management needs. Work meetings for each of these regions were conducted throughout the first half of 1997.

II. JOINT PLANNING TASK FORCES - NEEDS ASSESSMENT

A. FIVE REGIONS DEFINED

The Joint Planning Task Forces were initiated as the result of corporate involvement and dialog, to encourage a greater interaction between the public and private sectors, especially during the event of a disaster or emergency. SEMO initiated task forces in five regions of the state, as follows:

- * Eastern (Albany)
- * Western (Buffalo)
- * Central (Utica-Syracuse)
- * New York City
- * Long Island

B. MAKE-UP OF GROUPS

The various regional groups prepared strategies and concluded their work meetings by mid-summer of 1997. Appendix C provides a listing of the public and private sector organizations which participated in these regional task forces. Organizations which participated included the following:

- * government
- * banking
- * insurance companies
- * utilities
- * media representatives, and
- * specialized businesses

C. OUTCOMES - AREAS OF NEED DEFINED

Each of the regional task forces developed a list of emergency management needs which would be applicable for both the public and private sectors. Due to the unique characteristics of some of the regions which participated in these task forces, specific issues were identified in some cases. However, the greater majority of the issues raised during these regional discussions revealed many universal needs which would apply to any region within the state.

Specific shortcomings identified during the task force meetings focused on such areas as:

1. The need for a method to identify and assist essential corporate employees in carrying out their functions in the face of emergency travel restrictions, evacuation orders, and other governmental response initiatives;
2. The need for efficient and reliable communications between local government authorities and major corporate employers, to ensure that essential emergency-related information was exchanged;
3. The desirability of a resource clearing house, through which both disaster-affected corporations and government agencies could access a central data base for needed supplies and equipment; and
4. The need for unified planning, training, mitigation, and awareness efforts between the public and private sectors.

The focus of SEMO throughout the remainder of 1997 and most of 1998 was to facilitate a process which would develop effective solutions to the issues identified by the regional task forces. Members from each of the regional task forces volunteered to participate in a statewide Joint Loss Reduction Partnership Committee, with more volunteers than slots available.

III. JOINT LOSS REDUCTION PARTNERSHIP COMMITTEE

A. FEMA GRANT PROPOSAL & FUNDING

SEMO developed a grant proposal to the Federal Emergency Management Agency (FEMA), with specific ideas on how the project would be administered within the state agency. The staff responsible for planning the Scope of Work for the project identified two specific phases in which the work would be performed. Each phase covered a specific time frame for completion, and each phase identified the operating funds needed to complete the work. Time frames for the work to be performed coincided with the federal fiscal year. In September 1997, FEMA formally accepted SEMO's project proposal.

Phase I was conducted from October 1, 1997 to September 30, 1998. This initial phase included the convening of the Joint Loss Reduction Partnership Committee. The committee addressed the development of resolutions to the critical issues that were raised during the regional discussions within the five task forces.

In addition, the committee embarked on the creation of a viable organizational structure for the future direction of the partnership in New York State, including a permanent organizational existence and long-term funding sources. Regional training and awareness forums on emergency management topics would be conducted for both the public and private sectors.

SEMO projected a series of nine specific products to result from the Joint Loss Reduction Partnership by the end of September 1998, specifically:

1. Management of the Joint Loss Reduction Partnership Committee -

The committee, which was composed of thirty-four representatives of various business and government organizations, was assigned the tasks of providing solutions to

the issues which the regional task forces had identified, and with organizing a system and structure for a permanent program.

Benefits:

- vehicle through which all products and services would be researched and developed on a state-wide basis, with recommendations and action plans for local and regional implementation; and
- linkage to those municipalities participating in Disaster Resistant Community Projects.

2. Linkages to existing programs/services -

The Joint Loss Reduction Partnership Project provided a link between the business community and essential emergency services in the areas of hazard mitigation/loss reduction, planning, response, and recovery. The concept of a clearing house was envisioned to assist with linkages to existing federal and state programs, such as earthquake preparedness, hurricane preparedness, and flood mitigation. Linkages in the area of public relations would occur through the use of existing newsletters, periodic press releases, and public briefings.

Benefits:

- linkages between private business sector and existing services and emergency management programs

3. Identification of funding sources to sustain a permanent business-government loss reduction program -

The Joint Loss Reduction Partnership Committee was charged with the long-term challenge to establish sufficient fiscal arrangements to enable an on-going program of business-government emergency management to become self-sustaining. One of the subcommittees formulated within the framework of the committee was devoted to this

effort. Potential sources of funding to be explored included state general fund, corporate contributions, and assessment fees based on services used.

Benefits:

- establishment of a permanent self-sustaining program on a state-wide and regional basis

4. Hosting of regional emergency management training forums for business and government representatives -

The presentation of regular training workshops were anticipated to serve to further emphasize the importance of the public-private partnership and provide the Joint Loss Reduction Partnership Committee with forums through which feedback could be elicited on the various aspects of its project during the year. Training forums were to cover a wide range of topics, relating to planning, training, loss reduction and crisis response.

Benefits:

- increased interest and support of both the private and public sectors in these partnerships, adding to the success of the program overall and to the introduction of this concept in other states

5. Development of a concept of operations for a business emergency clearing house -

Business representatives on the regional task forces stated that a reliable, well-publicized central point of contact for the private sector during all phases of emergency management was essential. The clearing house would provide the latest technology and assistance in the area of hazard mitigation/loss reduction. In the development of this clearing house, existing information already available would serve as the basis for integrating disaster mitigation. Effective and efficient ways of sharing information, such as web sites, would be explored. The particulars of how this concept would operate

during emergency situations to dispense advice and resources to disaster-affected corporations, in coordination with government emergency operations centers, would be developed.

Benefits:

- advocacy for hazard mitigation on a state-wide basis, with recommendations for implementation at the local, regional level
- information and resources during an emergency, and emergency linkages between affected business and government Emergency Operation Centers

6. Establish a sub-committee to determine ways to encourage hazard mitigation/loss reduction initiatives among builders, insurance companies, and financial services institutions -

Financial institutions, insurance companies, developers, municipal planners, and code enforcement officials should work closely to minimize hazard vulnerability in commercial and residential structures. The Commercial Practices Sub-committee was charged with this task as part of their overall focus for the committee.

Benefits:

- development and distribution of recommendations which would promote sound and consistent hazard mitigation practices on the parts of lenders, insurers, and construction companies
- improved hazard mitigation on the part of home-owners and general public
- identification of any legislation necessary to implement recommendations

7. Recommendations for state legislation to implement needed measures -

It was expected that a number of the initiatives recommended by the Joint Loss Reduction Partnership Committee would require state legislation to further the project's hazard mitigation/loss reduction goals. The Legislative Sub-committee was convened to

focus on several areas, including insurance incentive programs and inducement/tax breaks for corporate mitigation activities. The SEMO administration would prioritize the continuation of strong ties with Governor Pataki's executive staff, members of the state legislature, and the state's business community, to facilitate and gain support for needed legislation.

Benefits:

- identification of needed legislation to implement and enhance the delivery of hazard mitigation/loss reduction and other emergency management initiatives for the public and private sectors of New York State

8. Production and distribution of emergency management guidance materials for the private sector -

The regional task force members requested wider distribution of current FEMA, SEMO, Red Cross, and other publications to the business community. In addition, the task forces requested that new hazard mitigation/loss reduction and emergency planning guidance materials be developed. The Business Facilities Mitigation Sub-committee was convened to focus on needs identification and material development. Developed materials would be promoted at all of the training forums to be held across the state.

Benefits:

- wider distribution of existing state, federal, and other guidance materials to the private sector
- development of new hazard mitigation/loss reduction and emergency planning guidance materials for both the private and public sectors' use

9. Presentations of the project as a model for other states at regional and national conferences -

The enthusiastic support and the commitment of the many corporations participating in the effort indicated that national interest in the project would be likely. Toward that end, a manual and other resource materials would be developed that would outline the process followed by the Joint Loss Reduction Partnership Committee to administer this project across the state.

Benefits:

→ model, with associated resource materials, for other states and territories in developing effective business/government partnerships in hazard mitigation/loss reduction and emergency management

Phase II, as described in the proposal to FEMA, would occur after October 1998, and continue indefinitely. The exact character of the second phase was left to the advice of the Joint Loss Reduction Partnership Committee.

B. COMMITTEE MAKE-UP

The committee was composed of thirty-four members from both the business and governmental sectors. In addition to finding solutions to issues identified by the regional task forces, the committee was assigned to organize a system and corporate structure for a permanent program. The full committee began holding bi-monthly meetings in October 1997. A list of the committee members who served on the project can be found as Appendix B.

C. SUBCOMMITTEES DEFINED

The Joint Loss Reduction Partnership Committee established six subcommittees to undertake the various activities identified as critical to the economic prosperity of New York State's business sector. These subcommittees were:

- * Commercial Practices
- * Employee/Supply Emergency Access
- * Financial Support and Structure
- * Legislation (eventually merged with Commercial Practices)
- * Clearing House Technology
- * Business Facility Mitigation

The specific tasks which each subcommittee was assigned are outlined below:

Commercial Practices Subcommittee

This subcommittee was charged with the development of:

- * a methodology to increase awareness of loss reduction and prevention in the insurance, lending, construction, code enforcement, and real estate industries; and
- * incentive strategies to enhance loss reduction and prevention practices in these industries.

Employee/Supply Emergency Access Subcommittee

This subcommittee was responsible for the development of:

- * guidelines for the definition of essential personnel and supplies for business continuity during disasters;

- * recommendations for a standardized identification system for essential personnel and supplies;
- * determination of key organizations to be involved in implementation of the identification system; and
- * identification of a marketing strategy/awareness campaign to sell the concept of an emergency access identification system.

Financial Support and Structure Subcommittee

This subcommittee was convened for the purpose of the following:

- * determining the structure and funding source(s) to sustain a permanent Joint Loss Reduction Partnership on a statewide basis; and
- * identification of funding alternatives for the products/solutions developed by the Joint Loss Reduction Partnership committee/subcommittees.

Legislation Subcommittee

The members of the subcommittee were responsible for:

- * conducting research and identifying existing regulations/legislation that pertain to the issues of the statewide committee and other subcommittees; and
- * identification of areas of new legislation/authorization required to implement the solutions recommended by the statewide committee and other subcommittees.

Clearing House Technology Subcommittee

The subcommittee focused on the following tasks:

- * identifying a mechanism for communication between the public and private sectors;

- * identifying existing emergency resources available to the private sector and a method for accessing them; and
- * identifying loss reduction/mitigation information and programs and a method for sharing this information with the private sector.

Business Facility Mitigation Subcommittee

The subcommittee performed the following tasks:

- * determination of methods to improve the status of disaster resistance within the state's business community by highlighting loss reduction/prevention activities; and
- * identifying expectations and establish priorities between the business sector and government officials in all phases of emergency management.

D. SUBCOMMITTEE REPORTS

This section contains the final report of four of the subcommittees which operated as part of the Joint Loss Reduction Partnership Committee. The final reports serve to identify the specific activities which were undertaken, final outcomes, and proposed recommendations to further the goals of the project. Since the Commercial Practices and Legislation Subcommittees were merged during the course of the project, their combined efforts are presented as one report. Because of its scope, and since it was prepared by a private contractor, the report of the Clearing House Technology subcommittee is located in Appendix A.

COMMERCIAL PRACTICES/LEGISLATION SUBCOMMITTEE REPORT

I. INTRODUCTION

The Joint Loss Reduction Partnership (JLRP) Committee developed six subcommittees to focus on the various tasks which were identified during the state-wide focus groups, held in 1997. The Commercial Practices Subcommittee and the Legislation Subcommittee were established to formulate distinct outcomes based on the tasks each subcommittee had been assigned. Initially, these subcommittees operated separately to formulate their own particular directives, based on the state-wide focus groups.

During the work sessions, the members of the subcommittees realized that although the subcommittees were working on separate tasks, the eventual merger of the roles of the subcommittees would create a more complete work product as their final outcome, and would provide increased benefits to the public and private sectors. On June 15, 1998, the subcommittees merged to facilitate the creation of incentives which would more accurately address the needs of the business sector. Through the proactive efforts of the various members, the merged subcommittee produced a series of specific incentives for three distinct service providers, as follows:

- * electrical and gas service providers;
- * insurance providers; and
- * banks and financial lenders.

A. OFFERINGS BY ELECTRICAL AND GAS SERVICE PROVIDERS

1. PROPOSAL

The subcommittee developed a proposal by which electrical and gas service providers operating in New York State would provide "*business continuity credits*" to customers who demonstrated the implementation of hazard mitigation and appropriate power redundancy site features. The focus would not be on rate reductions but on the use of energy credits with the approval of the Public Service Commission (PSC). Hazard mitigation plans would be required by the business along with joint planning efforts with the power utility company. Customers, to prove their mitigation efforts, would demonstrate the following:

- *Evidence of joint planning efforts with the power utility company*
- *Implementation of mitigation activities such as:*
 - * ownership or access to emergency generators
 - * use of a Manual Transfer switch
 - * re-wire for "quick connects" to generators
 - * an upgrading of electrical amperage
- *A documented and tested Hazard Mitigation Plan that would include:*
 - * company policy that demonstrated management commitment and employee responsibility to the recovery of mission critical services and functions;
 - * an emergency response plan that would strive to ensure the safety of employees, customers, and all personnel along with covered property;
 - * a risk analysis that determined the threats and hazards to the general area;
 - * a business impact analysis that defined the business critical functions;
 - * defined recovery time objectives for business critical services;
 - * an implemented resumption strategy, with recovery procedures, that recovered and continued mission critical functions and services;
 - * an implemented disaster mitigation program that minimized or prevented disastrous events and their impact;

- * an exercise program that tested and validated the resumption strategies;
- * a capability review that demonstrated the recoverability of the business; and
- * an ongoing maintenance program that would strive to ensure the plan was kept current.

2. LEGISLATIVE/REGULATORY ACTIONS NEEDED

The subcommittee recommended that appropriate inquiries be made to determine if electrical and gas service providers would require authorization from the Public Service Commission (PSC). The New York State Joint Loss Reduction Partnership Committee (or its successor organization), working through the New York State Emergency Management Office, would consult the Department of Public Service to determine if gas and electrical service providers would require authorization by the PSC to implement the proposed incentives.

3. MARKETING STRATEGY

Once the PSC had ruled on the appropriateness of the subcommittee's proposal, the Joint Loss Reduction Partnership Committee (or a successor organization), under the advice of committee members from the electric and gas industries, would consult the Department of Public Service, the Business Council of New York State, and statewide associations of gas and electric companies to develop the necessary interest and support for the program.

B. OFFERINGS BY INSURANCE PROVIDERS

1. PROPOSAL

The subcommittee realized that mitigation would be the key to preventing or minimizing the impact of major disaster on the private sector. Insurance companies would seek to prevent and minimize their claims. Insurance policy holders could have many mitigation activities available to them, but would need incentives to perform these activities for their businesses when not already regulated to provide same.

Long term payouts for extended outages would be extremely costly, both to the insurance provider and the policy holder. Business interruption policies would be costly and carried extremely high deductibles and would not be cost-effective for many small businesses.

The subcommittee proposed that insurance providers operating in New York State would provide appropriate rate reductions or credits for business customers. The exact nature of those incentives would be left to the individual insurance carriers. If enough interest could be generated from the insurance industry, then the New York State Insurance Department would be asked if a credit could be offered by all insurers as is the case presently for automobile insurance policies. Business loss reduction activities could include:

- *Evidence of joint mitigation planning with the insurance carriers and emergency management offices in a particular region of the state.*
- *Implementation of a disaster mitigation program that minimized or prevented disastrous events and their impact.*
- *Instances of structural upgrades designed to make the home or business more disaster resistant.*
- *Availability of emergency generators to offset potential insurance payouts.*
- *A documented and tested Hazard Mitigation Plan that included:*

- * a risk analysis that determined the threats and hazards to the general area;
- * a business impact analysis that defined the business critical functions;
- * defined recovery time objectives for business critical services;
- * an implemented resumption strategy, with recovery procedures, to recover and continue mission critical functions and services;
- * an exercise program that tested and validated the resumption strategies;
- * a capability review that demonstrated the recoverability of the business; and
- * an ongoing maintenance program that ensured the plan was kept current.

2. LEGISLATIVE/REGULATORY ACTIONS NEEDED

The New York State Joint Loss Reduction Partnership Committee (or its successor organization), through the New York State Emergency Management Office, would seek approval of any discounts or credits on a policy for the implementation of these incentives.

3. MARKETING STRATEGY

Upon the concurrence of the New York State Insurance Department, the Joint Loss Reduction Partnership Committee (or a successor organization), under the advice of committee members from the insurance industries, would consult the State Insurance Department, the Business Council of New York State, and statewide associations of insurance companies to develop the necessary interest and support for the program.

C. OFFERINGS BY BANKS AND FINANCIAL LENDERS

1. PROPOSAL

The subcommittee developed a proposal for the creation of loss reduction incentives for flood mitigation. Banks and other financial lending institutions operating in New York State would be able to grant reductions to customers who provided the appropriate flood mitigation protection to their businesses or homes. The objective was to advocate hazard mitigation measures that would be implemented to better insure the protection and recovery capabilities of the community's businesses and homes. Listed below are examples of approved flood protection mitigation techniques:

- ***Elevation -***
 - * raising of foundation walls
 - * raising of structures on piers
 - * elevation on posts or columns
 - * raising on piles
- ***Relocation -***
 - * relocating a structure outside of a flood-prone area
- ***Floodwalls -***
 - * surrounding the entire structure
 - * protecting the low side of the property
- ***Dry Flood Proofing -***
 - * sealing of structure walls

2. LEGISLATIVE/REGULATORY ACTIONS NEEDED

The subcommittee proposed that the New York State Joint Loss Reduction Partnership Committee (or its successor organization), working through the New York State Emergency Management Office, would consult the State Department of Banking to determine if banks and

other financial lending institutions would require authorization from state banking regulators to implement the proposed incentives.

3. MARKETING STRATEGY

The subcommittee proposed that the Joint Loss Reduction Partnership Committee (or its successor organization), along with the advice of committee members from the banking industry, would consult the State Department of Banking, the Business Council of New York State, and statewide associations of banking and other financial lenders to develop the necessary interest and support for the program.

II. CONCLUSION

The subcommittee's proposals for the electrical and gas service providers, the insurance providers, and the banking and financial lending institutions were based on input from the members which comprised the subcommittees. The members developed the various proposals with specific incentives in an attempt to bring focus on the need for proactive disaster mitigation efforts from each of these particular entities.

Additionally, these incentives were designed to actually reduce the losses incurred by insurance providers, electric and gas service providers, and banks and lending institutions, from poor or non-existent emergency management planning. Ultimately, the economic climate in the private sector would prosper, as a result of focused attempts to mitigate and control the effects of natural disasters.

EMPLOYEE/SUPPLY EMERGENCY ACCESS SUBCOMMITTEE REPORT

I. INTRODUCTION

Mitigation of the effects of the event leading to the disruption of business must be timely and appropriate or community recovery will, in all probability, not occur in the absence of a recovery of business in the impacted area. The pace of business recovery requires, among other considerations, the existence of a recovery plan within the community as well as within the individual business. Access to the area or site by essential employees of the business community as well as delivery of essential supplies and materials are required in order to have significant and timely resurgence of the community's business life.

The Joint Loss Reduction Partnership (JLRP) Committee envisioned that there would be an organization/permanent entity established to work with the public and private sectors to ensure a true partnership for emergency preparedness, emergency response and resource allocation at time of emergency. This partnership would be based on mutual benefits for both sectors.

The permanent entity would have dedicated staff responsible for regional operations throughout New York State to support the public and private sectors. Additionally, the committee proposed that throughout the state, there would be Regional Advisory Partnership (RAP) groups composed of volunteer key business and community representatives familiar with their own communities' needs.

The main purpose of the Employee/Supply Emergency Access subcommittee was to focus on critical components to facilitate access for private sector personnel and supplies. These components included:

- *guidelines for identifying emergency personnel and supplies;*
- *a system of issuing credentials for emergency personnel; and*
- *a job description for a business liaison to Emergency Operation Centers (EOCs).*

The JLRP Committee envisioned the creation of a permanent entity, and the Employee/Supply Emergency Access Subcommittee was charged with the mission to focus on emergency access for the private sector at the time of incident. To that end, the subcommittee established a set of recommendations, including:

- *emergency access roles and responsibilities;*
- *the business relationship function within the permanent entity;*
- *business liaison function at the Incident Command Posts (ICPs) and the Emergency Operation Centers (EOCs); and*
- *emergency credential and awareness training process.*

There are several appendices which provide the reader with additional information relating to this subcommittee's work. Appendix D outlines their vision for the utilization of Emergency Operation Centers (EOCs) and Incident Command Posts (ICPs) to mitigate the impact of natural disasters on the private sector. Appendix E provides suggested topics for emergency access awareness training, and provides for overall emergency preparedness between the public and private sectors. Appendix F contains a listing of the organizations who reviewed the subcommittee's recommendations prior to publication.

II. EMERGENCY ACCESS RECOMMENDATIONS

The Employee/Supply Emergency Access Subcommittee of the JLRP was charged with the mission to focus primarily on emergency access for the private sector at time of incident. The recommendations of this subcommittee include the following:

A. Emergency Access roles and responsibilities of the "To be Named" Permanent Entity.

B. Business Relationship Function within the Permanent Entity.

C. Business Liaison Function at the Emergency Operation Centers (EOCs) and Incident Command Posts (ICPs).

D. Emergency Credential and Awareness Training Process.

A. Emergency Access Roles and Responsibilities of the "To Be Named" Permanent Entity.

While the permanent entity will have a number of responsibilities, the Employee/Supply Emergency Access Committee has focused on those responsibilities related to supporting the access issues. The subcommittee recommends that the permanent entity be responsible for the following:

- Maintaining a Business Relationship function to assist the public and private sector with emergency access awareness training. (See Section B for further detail.)
- Defining the role of the Business Liaison function in the Emergency Operation Centers/Incident Command Posts. (See Section C for further detail.)

- Issuing standards for design and issuance of emergency access credentials. (See Section D for further detail.)
- Establishing the standards for emergency access awareness training content and delivery. (See Section D for further detail.)
- Establishing fees to cover the costs of credential issuance and emergency access awareness training. (See Section D for further detail.)

B. Business Relationship Function within the Permanent Entity.

The Business Relationship function would be staffed by the permanent entity. During normal (nonemergency) periods, the Business Relationship function would focus on emergency preparedness, access training and awareness. During emergency periods, this function would be part of the permanent entity operations team supporting the impacted area.

C. Business Liaison Function at the Emergency Operation Centers (EOCs) and Incident Command Posts (ICPs).

The Business Liaison Function would be staffed by a volunteer from the impacted community who has been selected and trained to participate as part of the team in the Emergency Operation Center and/or Incident Command Post. The Business Liaison function is responsible for communications between Emergency Operation Centers (EOCs) and Incident Command Posts (ICPs) and the affected business communities during emergency events. (A comparison of the responsibilities of the EOC and ICP is shown in Appendix D.)

The intent is to serve as a focal point for two-way communication regarding available resources, assessment and status information, emergency activities, requirements/need, and to facilitate the emergency access of private sector personnel and supplies. Because this function

represents the impacted community, the selected individual(s) should be familiar with and be known within the impacted community. *Most importantly, this function would actively participate in the EOC/ICP decision-making process regarding business' issues of emergency access for personnel, supplies and the restoration priorities.*

The responsibilities of this function would include (but are not limited to) the following:

- Maintaining physical and verbal presence in activated EOCs/ICPs.
- Providing information on private sector resources available for emergency response/recovery.
- Conducting assessment of business' emergency needs.
- Communicating information between the regional centers of the permanent entity and the activated Emergency Operation Centers and the Incident Command Posts.
- Working with public sector management to address private sector issues during emergency events (e.g., access of personnel and supplies to affected areas, response workers logistical needs of lodging and food).

D. Emergency Credential and Awareness Training Process.

The permanent entity would perform the following functions:

- 1) establish a design for a universal emergency access credential system;
- 2) set standards for the issuance of these credentials; and
- 3) establish fees for the production costs of same.

Without a state-wide organization overseeing the process, any universal emergency access credential system will be costly and ineffective as a stand-alone mechanism for scene access.

Suggested design criteria:

- 1) The badge should have enough information to identify the card holder and his company affiliation, such as:
 - Holder's Photo
 - Unique identifier
 - Holder's name, address, eye color, hair color, height, date of birth
 - Employer's name
 - Holder's emergency job description/title
 - Holder's signature
 - Expiration date

Since credential holders may have early access to the impacted area, in the event of an accident, additional information on the credential would be useful, such as blood type, next of kin, and phone number.

- 2) All badges would be identical in size, shape, color (ex. black ink on white paper) and information format. Badges would also have to be laminated.
- 3) The badge would also have a magnetic bar code strip containing information described in #1 above, so it could be quickly scanned by computer at a staging area prior to scene access for accountability and safety purposes. It would also be scanned through when departing. By doing this it can be determined how long someone was at the "scene".
- 4) An indemnification message would be included on the back relieving the government of any liability for any death or injury occurring to the holder while operating within the emergency scene.

- 5) The disclaimer "Civilian authorities reserve the right to refuse access to an area if they deem it to be unsafe" would be included on the back of the badge.
- 6) There should be some protocol for immediately invalidating the credential and notifying the police.

Suggested Issuance Criteria:

- 1) To obtain emergency access credentials for their essential personnel, public and private sector organizations must have their essential personnel complete an emergency access awareness training program. This program would be designed and administered under the auspices of the permanent entity. Upon completion of the training program, emergency access credentials would be issued to the attendees. (Refer to Appendix E for suggested topics to be included in the training program.)
- 2) Each credential would contain an expiration date (e.g., three years), requiring the holder to attend a refresher awareness program before obtaining a credential.
- 3) Each company requesting emergency access credentials would be accountable for each and every card issued. Each company would maintain a database of issued credentials, by number, and would update this database on a designated cycle and submit the updated database to the permanent entity who would maintain a statewide computer database of all issued credentials. Ideally it would be a secure database that emergency officials could access via computer from the field to determine if a credential was genuine.

Fees for Training and Credential Issuance:

It is anticipated that the permanent entity overseeing the partnership program would be a non-profit organization. A minimal fee would be established to cover the costs of conducting

the training programs, producing the credentials and maintaining the currency of a database of credential information.

FINANCIAL SUPPORT/STRUCTURE SUBCOMMITTEE REPORT

I. INTRODUCTION

The main purpose of the Financial Support/Structure subcommittee was two-fold: to develop the means of creating a permanent structure to sustain and maintain business and government partnerships, and to determine and recommend available resources to ensure sufficient funds for the activities as articulated by the JLRP.

The organizational structure deemed best suited for the needs of the JLRP was a non-profit corporation. The committee studied the possible alliance with other state-wide groups that focus on business and economic development of the state. Of particular interest are those organizations that have a regional presence across the state.

The subcommittee developed the organizational charter and by-laws for the permanent entity. The by-laws outlined the various authorities who would have responsibility for the operation of the organization. The subcommittee also identified funding sources to allow for start-up and long-term financial security of the permanent organization.

A diagram of the corporate structure as proposed by the Financial Support/Structure Subcommittee has been included as Appendix G. The corporate structure diagram was developed by Ms. Jane Cordts, Committee Chairperson.

II. MISSION OF THE SUBCOMMITTEE

During the initial planning stages of the subcommittee, the members defined the mission of the subcommittee. The members agreed that the mission to be established would create the means by which the subcommittee could develop the organizational structure and report back to the JLRP committee. The initial meetings were held to develop the mission of the subcommittee.

Mission Statement:

1. *To examine all options and recommend the means of creating a permanent structure for the final entity that will best sustain and maintain business and government partnerships in loss reduction and contingency planning statewide.*
2. *To determine and recommend the mechanisms, resources, and authorities necessary for ensuring sufficient funds for the activities and products of the business and government partnership organization.*

The Financial Support/Structure Subcommittee was established to address the critical management issues concerning the structuring and financing of a permanent organization on a state-wide basis. The new organization needed an operating structure, as well as the financial security to provide continuous information and emergency access for all areas of New York State. The subcommittee established a series of objectives to accomplish this task.

The organizational tasks included the following:

- * the specification of a proposed charter and corporate identity to be formed out of the JLRP objective;
- * the definition of necessary by-laws to establish and maintain on-going operations of the resulting organization; and

- * the development of the organizational chart and lines of authority to create positions necessary to handle daily and long-term operations.

As other subcommittees identified products and solutions to bring the JLRP initiative to fruition, the Financial Support/Structure Subcommittee's purpose was to seek funding alternatives to maintain the partnership's objectives. In substance, the committee's purpose was to recommend a corporate/organizational structure, and develop a financing system to procure operating funds.

III. NATURE OF ORGANIZATIONAL STRUCTURE

The subcommittee members examined the nature of various organizational structures for the permanent organization. These structures were reviewed according to their funding potential, as well as the potential for longevity to create the permanent organization. The subcommittee examined potential structures in an attempt to determine the best options for the JLRP.

The proposed structure, a not-for-profit corporation, would have centralized operations in Albany and New York City, with regional hubs located throughout the state. It was suggested that as many as ten hubs might eventually be established.

The subcommittee reviewed the by-laws and charter of several other organizations for the development of the permanent organization. Further review by the subcommittee would allow for final recommendations to the JLRP committee as to organizational structure. The final determination regarding the organizational structure would identify funding sources appropriate to the needs of the committee and the organization.

The subcommittee arrived at recommendations during the various meetings held for this purpose. The recommendations for the organizational charter are listed below:

1. The JLRP committee should consider the formation of a corporation under Section 402 of the Not-For-Profit Corporation Law of New York State.
2. The purpose and operation of the corporation would conform to the requirements of Section 501 (c) (3) of the Internal Revenue Code. This would create a not-for-profit, tax exempt, charitable-type organization.
3. The entity to be created would qualify as a New York State not-for-profit, tax-exempt corporation, to operate on a state-wide basis.
4. The formation of the proposed organization would have no capital stock, and would allow for no earnings or profits of the corporation to be used to benefit any member, director, officer, or employee except for reasonable compensation of personal services rendered.

In addition to the recommendations of the organizational charter, the subcommittee developed a series of purposes and objectives to be included in the corporate charter. These purposes clearly defined the focus of the organization, and helped to develop the scope of research required for financing the proposed organization. The purposes are listed as follows:

Purposes:

1. *to unify the planning, mitigation, training, and awareness efforts in loss prevention, disaster recovery, and contingency operations between the public and private sectors in New York State;*
2. *to establish and maintain a resource clearinghouse for disaster-affected communities;*
3. *to encourage joint efforts between the private and public sectors in establishing prompt emergency access for the benefit of the business community in the state;*

4. *to create efficient and reliable communications between government authorities and employers in the state for essential exchanges of emergency-related information;*
5. *to foster a better understanding by state and local authorities, as well as government-regulated industries, of the business and economic impact of emergency-related decisions; and*
6. *to promote a stable business environment through disaster resistant communities for the benefit of the people of the State of New York.*

Objective:

The primary objective of the corporation will be to promote loss prevention, rapid recovery, and economic well-being throughout all regions of New York State.

IV. ORGANIZATIONAL LINES OF AUTHORITY

The Financial Support/Structure Subcommittee developed by-laws which defined the lines of authority for the organization. The by-laws of the organization were written with specific responsibilities and functions for each of the lines of authority. The subcommittee created an organizational chart for the permanent organization, showing the lines of communication among the various participants. A copy of the organization chart is included in the Appendices of this document.

The authorities of each line in the chart are as described below:

Founding Members - responsible for corporate charter, by-laws, policies; establishment of corporate and regional offices' practices; rules formulated in accordance with original charter requirements.

Board of Trustees - original founding members and/or appointees; responsibilities included all corporate activities necessary to insure continued operations in accordance with original charter; governing authority for soundness and safety in all matters governing fiscal affairs; oversight of fair/equitable use of corporate resources and assets for the benefit of all regions within New York State.

Executive Director - appointment by Board of Trustees; responsible for all affairs of the organization governing management, fiscal, marketing, legal, risk assessment, and general operations.

Finance Director - appointment by Board of Trustees; responsible for daily and long-term financial management, insurance, and reporting requirements, including monthly and annual reports to the Board of Trustees; reports to cover financial results, grantsmanship activities, and accounts payable functions.

Operations Director - appointment by Board of Trustees; responsible for daily operations, both central and regional activities; operational activities to include information management systems, communications, staffing, purchasing, vendor management, contract procurement, servicing, and related third-party activities.

Finance Committee - comprised of Executive Director, Finance Director, and Operations Director, as well as two members of the Board of Trustees; committee responsibilities include executing and approving investments; spending for large capital items (i.e. in excess of \$10,000 but under \$25,000); issuing of contracts greater than \$25,000.

V. FUNDING ISSUES

Subcommittee members were in agreement that input from other subcommittees was critical to identify funding objectives. At this juncture, the subcommittee could predict the eventual size of the organization's budget. Members were in agreement that two separate budgets would be required, one for start up funds, and one for agency operation.

As well, the subcommittee members recognized that funding or incentive mechanisms might be needed to match the budget needs. For example, bonding authority might be necessary if capital or revenue projects were anticipate.

The subcommittee discussed the solicitation of private capital contributions to insure financial stability of the project. To this end, a professionally produced set of marketing materials would be required to solicit funds. The members agreed to prepare text and design suggestions for general approval by the JLRP committee.

VI. FUNDING SOURCES

The solicitation of short-term, start-up funding and long-term, operational revenue sources were discussed. The determination was made to seek corporate contributions while developing state budget resources, federal grants, and fee-based service offerings. Potential sources of private capital would include:

- * utilities
- * financial institutions
- * insurance companies
- * media
- * health care organizations

- * transportation entities
- * educational institutions
- * retail conglomerates
- * agriculture and market sectors

The subcommittee identified additional start-up funding sources from economic development agencies and corporations organized for business expansion in the state. Other public and private grant programs will be identified for capital spending projects involving technology acquisitions.

Because of the 501 (c) (3) type of charter, the corporation would be eligible to apply for grants and contributions from charitable foundations and other private sources wherein tax deductible contributions are desirable. Further, various public funding types of grant programs would be sought for ongoing operating budgets. Potential sources of ongoing revenues will be generated from direct fee-based services performed by the corporation.

The subcommittee proposed that direct funding for start-up operations would be solicited from state and federal grant programs in economic development and emergency management areas. Matching contributions would be applied for under various charitable foundation and corporate giving programs. Together with fee-based services statewide and vendor advertising, operating budgets would be supplemented with continued grant funding from the above named sources.

BUSINESS FACILITIES MITIGATION SUBCOMMITTEE REPORT

I. INTRODUCTION

The primary focus of the Business Facility Mitigation Subcommittee was to develop a series of marketing concepts that would motivate New York State businesses to focus on loss reduction and emergency planning, in a partnership with the public sector. This endeavor was designed similarly to the Federal Emergency Management Agency's (FEMA) "Project Impact" approach, which attempted to motivate the public sector to also embark on the same activities.

Both the JLRP and FEMA are attempting to create a culture which brings both the public and business sectors into a voluntary partnership which places a priority on mitigation and planning. The Business Facility Subcommittee attempted to detail the incentives, benefits, and priorities for both sectors, and develop some substance to the partnership model. The expectations of this subcommittee were to improve the status of disaster resistance for the state's business community, and to articulate the benefits to the private sector for mitigating disasters. Finally, the subcommittee addressed the incentives for assuming a proactive protocol for disaster resistance among the private sector.

The subcommittee's membership, which consisted of individuals from the public and private sectors, provided a great deal of guidance and direction toward the development of a "Marketing Plan" for disaster resistance and business continuity planning. The Marketing Plan consisted of several pertinent topics, which would be beneficial toward the eventual disaster resistance of businesses throughout the State of New York.

The subcommittee also developed a diagram which summarized the model of the proposed partnership between the public and private sectors. This *Proposed Partnership Model* is provided in the Appendices of this document as Appendix H.

The Business Facility Mitigation subcommittee was assigned two tasks, as outlined below:

1. *The subcommittee would determine methods to improve the status of disaster resistance with the state's business community by highlighting loss reduction and prevention activities; and*
2. *Members would identify expectations and establish priorities between the public and private sectors in all phases of emergency management.*

These two tasks provided the subcommittee with the focus and direction with which to commence the process of creating a business mitigation methodology which could be replicated throughout the State of New York.

II. GOALS OF THE SUBCOMMITTEE

The subcommittee began by creating a series of goals which would articulate the specific expectations of their group. These were as follows:

1. *Improve the status of disaster resistance for the state's business community.*
2. *Identify expectations and establish priorities between business and government in all phases of emergency management.*

These goals were formulated to identify the activities which the subcommittee would need to undertake to promote a business mitigation methodology.

1. IMPROVE THE STATUS OF DISASTER RESISTANCE FOR STATE'S BUSINESS COMMUNITY.

A. Activities to be undertaken

The subcommittee focused on activities which could be undertaken to reach this goal, such as:

- * identification of threats
- * identification of resources
- * contingency planning
- * identification of vulnerabilities
- * prioritization of loss reduction activities
- * allocation of personnel
- * establishing warning procedures
- * coordination with emergency response organizations
- * monitoring results of loss reduction
- * creation of loss statistics
- * removal of fear by being proactive
- * validation that tasks can be accomplished
- * definition of tasks
- * education and familiarity with terminology

B. Perceived Benefits

The subcommittee realized that simply identifying the activities which would help businesses might not be a significant catalyst to change the established behaviors of the private sector. To that end, the subcommittee then prepared a list of benefits which

would help both the public and private sectors realize the importance of proactive planning. Table II-A below lists those benefits identified by the subcommittee.

Table II-A. Benefits to Businesses and Communities that Implement Disaster Resistance Programs.

BUSINESS	COMMUNITY
INCREASED PROFITABILITY	INCREASED VALUE
PREPAREDNESS	ECONOMIC ENHANCEMENTS
PROACTIVE VS. REACTIVE	AREA ATTRACTIVE TO OTHER BUSINESSES
PROTECTION FOR LIFE/PROPERTY	PROTECTION FOR LIFE/PROPERTY
INCREASED COMPETITIVE EDGE	INCREASED VALUE OF PROPERTY
IMPROVED IMAGE	MORE FUNDS AVAILABLE FOR GENERAL RECLAMATION
INCREASED SHAREHOLDER VALUE & INCREASED MARKET SHARE	CONSISTENT APPROACH TO LOSS REDUCTION
INCREASED INSURANCE BENEFITS	IMPROVED LONG-RANGE PLANNING
DECREASED DOWN TIME	PROMPTS COMMUNITY ACTION

C. Recognized incentives toward performance

Typically, the private sector would not be inclined to facilitate disaster preparedness and mitigation unless there were recognized incentives toward changing established business practices. The subcommittee realized that a series of recognized incentives which would entice the private sector to implement disaster preparedness needed to be developed. Table II-B contains the subcommittee's suggestions for those

incentives which they realized would be needed to create participation among the private sector, and to encourage the public sector to commit to the program as well.

Table II-B. Incentives for Participation Among the Public and Private Sectors.

BUSINESS	COMMUNITY
REDUCTION IN INSURANCE PREMIUMS	TBD
LOW DISCOUNT LOANS	TBD
PRIORITY IN RESTORATION	TBD
PRIORITY IN LOAN QUALIFICATION	TBD
LOCAL TAX RELIEF	TBD
INCREASED STATE/FEDERAL INVESTMENT	TBD

**2. IDENTIFY EXPECTATIONS AND ESTABLISH PRIORITIES BETWEEN
BUSINESS AND GOVERNMENT IN ALL PHASES OF EMERGENCY
MANAGEMENT.**

The subcommittee began working on a list of priorities for both the public and private sectors in a disaster, at about the same time that Upstate New York was dealing with the Ice Storm of 1998. Due to varying degrees of damage, some areas of Northern New York were without power for almost thirty days. Subcommittee members recognized some general problems which occurred during this disaster, as follows:

1. Insurance company representatives were unable to gain access to certain areas of the state, thereby increasing the amount of time between damage assessment and reimbursements to policy holders;

2. Both the business and community sectors were ill-prepared for the emergency and generally unaware about disaster preparedness;
3. Businesses during this time period were forced to seek their own solutions to problems, as community leaders were too busy with municipal problems to provide any assistance;
4. The impact of this disaster on the employee work force in Upstate New York was serious, and in some cases, completely overlooked; and
5. The disaster created significant shortages, for items such as generators, hotel/motel space, and fuel, and these shortages caused crisis situations for both communities and businesses in the affected areas.

As the result of the Ice Storm of 1998 and other related disasters, the subcommittee recognized the need for discussion of other aspects of the group's scope of work, such as:

- * public sector sensitivity to business restoration needs;
- * business sector understanding of public sector priorities;
- * how business restoration benefits the public sector;
- * public sector needs to accept business restoration as a **public sector priority**;
- * business sector needs to commit resources to assist in public sector recovery; and
- * how will the final product (marketing plan for disaster mitigation and business continuity) be communicated to the private sector of New York State.

III. PRIORITIZATION FOR DISASTER PREPAREDNESS

The subcommittee began working on a series of priority issues for the public and private sectors. These priority issues were not the same for the two sectors in every instance, but as Table III-A demonstrates, the priorities could be very similar. By establishing a list of priorities,

the subcommittee felt that this list would enable the public and private sectors to begin to work together toward the common purpose of restoration and recovery, with greater results.

Table III-A. Public/Private Sector Priorities in a Disaster.

PUBLIC SECTOR PRIORITIES	PRIVATE SECTOR PRIORITIES
political issues	competitive environment
liability	financial obligations
public safety	shareholder concerns
security	security
control	access to the facility
emergency operations	damage assessment
disaster resistance	disaster resistance
communication	implementation of strategies
financial impact	market share

The subcommittee developed a process map of the business continuity cycle, which demonstrated the incremental steps which the private sector would implement to maintain continuity with the sector's operations and functions. The process map was designed as follows:

- * threats
- * mitigation
- * planning
- * interface between private and public sectors during a disaster
- * recovery
- * restoration

The business continuity cycle contained general principles which needed to be communicated to both the business and public sectors. The subcommittee recognized that the members needed to articulate the primary concepts which would shape and guide action among the private sector.

A. DISASTER RESISTANCE PARTNERSHIP MODEL

As the result of this direction, the subcommittee developed a Disaster Resistance Partnership Model, which showcased the importance of mutual cooperation and partnership between the business and public sectors. This model, in its entirety, can be found in the Appendices as Appendix H.

The model depicted a working relationship between the business sector, with direct interaction with the Joint Loss Reduction Partnership Committee (JLRP). The business sector would do the following:

- * implement preparation strategies;
- * create incentives to encourage implementation;
- * realize benefits by being prepared for an emergency; and
- * encourage small businesses to adopt disaster mitigation to promote their growth and development.

The other side of the partnership model was comprised of the public sector, which would receive relief and assistance from the Federal Emergency Management Agency (FEMA). FEMA would provide assistance to the public sector to do the following:

- * commence emergency preparation activities;
- * offer incentives to the public sector to allow for greater cooperation among various municipal agencies, especially in the time of a disaster; and

- * focus on the benefits to provide for disaster mitigation.

The subcommittee realized that for the model to be complete, a partnership block would need to be created in the center of the model, depicting the cooperation between the business and public sectors. Through the efforts of partnering, these sectors would be able to sustain and implement:

- * improved communication;
- * mutual benefit to bring everyone out of the effects of the disaster sooner;
- * sharing and allocation of scarce resources, during a time of crisis;
- * developing a list of recovery priorities to bring the most critical operations back online at the earliest time possible; and
- * creating a business liaison who could interface between the public and private sectors to advise as to resource availability and the need to return people to work as soon as possible.

IV. **MARKETING PLAN FOR BUSINESS CONTINUITY**

The Business Facility Mitigation Subcommittee envisioned the Disaster Resistance Partnership Model as being the basis upon which a marketing plan for disaster resistance and business continuity planning would be developed. The subcommittee realized that a marketing plan would be required to motivate and entice businesses to become involved in the other services being developed as part of the JLRP Committee's project.

The subcommittee realized that businesses would need demonstrations to show the importance of business mitigation, the incentives which could be realized, the rationality for working with the public sector to achieve a return to normalcy, and the actual model as the "blueprint" for action within the business community.

The marketing of the entire process would include the magnitude of the deliverables, along with the need to sell the process to the stakeholders, from whom the necessary capital and legitimacy would evolve. The subcommittee realized that there would be a need for a marketing plan, which would include several marketing pieces (i.e. brochures) which would be targeted to various audiences throughout the state. Each piece designed would contain specific content issues, depending upon the sector to whom it was to be distributed.

The subcommittee's efforts eventually focused on developing the marketing concepts that would motivate New York State businesses to stress assessment, mitigation, and recovery planning in a partnership with the public sector, not unlike FEMA's "Project Impact" approach which attempted to motivate the public sector to respond in a similar fashion. Both JLRP and FEMA have attempted to create a culture which brought both the public and business sectors into a voluntary partnership that placed a priority on mitigation and planning. The subcommittee attempted to detail the incentives, benefits, and priorities for both sectors and to put some substance to the model for the partnership.

V. RECOMMENDATIONS

The subcommittee created an outline for a marketing piece (i.e. brochure) which incorporated ideas and concepts which had been brought forward during the subcommittee's deliberations. The outline was designed as a generic concept, with the ability to be adapted to whatever target audience was to receive the information. The eventual piece would draw information from the Business Facility Mitigation subcommittee's work, as well as the final efforts of the other subcommittees of the JLRP committee.

A. MARKETING PIECE OUTLINE

Introduction -

The following information would be detailed in the introductory section:

- * statistics on the frequency of serious impacts to businesses;
- * statistics on the number of businesses, especially small ones, which do not recover from a disaster;
- * photographs showing disasters and their impacts;
- * emphasis on assessment and mitigation;
- * business continuity nomenclature; and
- * business continuity planning process outline.

Business/Public Sector Issues -

The marketing piece as envisioned by the subcommittee would contain Table II-A, Benefits to Businesses and Communities that Implement Disaster Resistance Programs (See Page 6) and Table III-A, Public/Private Sector Priorities in a Disaster (See Page 9).

Partnership -

The following list addresses the needs of the partnership, benefits, structure, and concerns about the partnership:

Needs:

- * champion from the business community
- * funding

- * structure
- * technology

Benefits:

- * increased public awareness of prevention practices
- * established business restoration as a public sector priority
- * identified business sector role in public sector restoration
- * identified resources and planned for their allocation
- * prioritized mitigation procedures on an integrated basis
- * coordinated responses between sectors
- * established training protocols
- * improved access to clearinghouse information

Structure:

- * regional model
- * business liaison position
- * clearinghouse technology
- * staffing
- * forum for identifying and prioritizing needs

Concerns:

- * financial support from the business sector
- * business expectation for equal partnership
- * small business participation
- * command and control issues
- * access authorization at the time of disaster
- * resource allocation at the time of disaster

Next Steps:

- * businesses would join the partnership
- * businesses would begin development of mitigation plans
- * businesses would develop business continuity plan

IV. FINAL RECOMMENDATIONS

The findings of the Joint Loss Reduction Partnership's subcommittees, as presented in the previous section, will serve to shape the general direction of future business-government emergency management partnerships in New York State. As well, the overall work of the Joint Loss Reduction Partnership will serve as an example for other states within the country, as a positive, proactive initiative toward disaster preparedness.

Beginning in 1999, as the result of a recommendation of the Financial Support and Structure Subcommittee, a new not-for-profit corporation will be established to implement the conclusions reached under the sponsorship of this project. The final recommendations listed below will provide a reference for the new organization in establishing objectives and priorities in its start-up phase.

Commercial Practices -

- * work with the State Insurance Department, Banking Department, and Public Service Commission to define the feasibility and the process for implementing the recommendations of the subcommittee; and
- * follow up with industry contacts to implement feasible recommendations.

Employee/Supply Emergency Access -

- * review proposed system of emergency access with primary governmental and association contacts who were consulted during 1998 (for example, the Association of Chiefs of Police, Mayor's Conference, Association of Counties);
- * establish pricing scale for identification system; and
- * finalize the concept for the system of emergency employee access (category of key employees, method of card distribution, how training to receive the cards will occur, etc.).

Financial Support and Structure -

- * initiate the implementation of the corporate structure, hiring the employees and establishing reporting channels among the employees and from the employees back to the Board of Trustees;
- * develop and implement a marketing plan to solicit further funding for the corporation from foundations, government agencies, and corporate sponsors; and
- * establish physical offices in Albany and Manhattan, with possible field arms at other locations in the state.

Clearing House Technology -

- * acquire technology recommended in the report to implement the Clearing House system; and
- * ensure integration of acquired technology of clearing house with the systems of the State Emergency Management and Economic Development organizations.

Business Facility Mitigation -

- * adapt outline for business emergency management "Bible" into an attractive handbook with narratives and illustrations;
- * integrate "Bible" into marketing efforts of the corporation; and
- * develop separate marketing system for "Bible" as a stand alone, separately recognized product of the corporation.

V. NEXT STEPS

The Joint Loss Reduction Partnership Committee proposed the creation of a non-profit organization in March 1999. The organization created as a result of the committee's work would be ready to implement the specific findings which came out of each of the subcommittees' assignments. The subcommittees created specific objectives as the result of their work, and these objectives would become the basis for the work scope to be undertaken by the newly-created not-for-profit corporation.

Some of the next steps which will be implemented by the new organization include:

- * filing of Articles of Incorporation for the non-profit organization;
- * development of a series of legislative/regulatory actions which would be proposed to state legislative representatives;
- * develop interest and support among specific organizations who will assist with statewide implementation;
- * development of an emergency credential and awareness training program for critical private sector personnel who would be first responders at the time of incident;
- * researching of potential grant/funding sources; and
- * utilization of the ideas developed by the Business Facilities Mitigation to ultimately create a brochure which would promote the concepts created.