

Flood Recovery Task Force, Inc.
Disaster Relief Hearings,

(172)
(oversized)

1.2

April 20, 1973

Mr. Clark F. Norton
Senate Committee on Public Works
4202 Dirksen Building
Washington, D. C. 20510

Dear Mr. Norton:

This will acknowledge receipt of Senator Burdick's letter of April 16 inviting me to attend the hearings of the Subcommittee on Disaster Relief scheduled in Wilkes-Barre for Friday and Saturday, May 11 and 12. His letter suggests that I appear Saturday, May 12.

I am pleased to accept the invitation of the Subcommittee and to offer any assistance I can. Regrettably, I am unable to submit a prepared statement to the Subcommittee by May 4 since I shall be sitting in court in Philadelphia until April 30. I shall, however, make an effort to get such a statement to you before the end of that week, the mails permitting.

Sincerely yours,

MAX ROSENN

MR/bts

bcc: Mr. Andrew Shaw

t
April 20, 1973

Mr. Andrew Shaw, Jr.
Executive Director
Flood Recovery Task Force, Inc.
Hotel Sterling
Wilkes-Barre, Pa. 18701

Dear Andy:

I enclose herewith a Xerox copy of a letter I received this morning from Senator Burdick. I also enclose my reply.

I am about to leave now for Philadelphia and will not return until April 30. Inasmuch as you got me into this hearing, you'd better prepare me for it. I would appreciate it if you and Betty would work up a statement in the meantime that would express our views. In the preparation of such a statement, I believe you should have input from Harold Rose, Mrs. Anderson, and chairmen of our various subcommittees. I would suggest that you do this promptly so that I can go over it when I return.

Sincerely yours,

MAX ROSENN

MR/bts

JENNINGS RANDOLPH, W. VA., CHAIRMAN
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M. BARRY MEYER, CHIEF COUNSEL AND CHIEF CLERK
BAILEY GUARD, MINORITY CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS

WASHINGTON, D.C. 20510

April 16, 1973

The Honorable Max Rosenn, Judge
U.S. Circuit Court of Appeals
Room 229, Federal Building
Wilkes-Barre, Pennsylvania 18701

Dear Judge Rosenn:

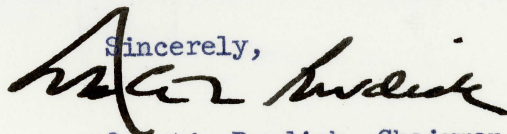
The third in a series of oversight hearings being conducted by the Subcommittee on Disaster Relief of the Senate Committee on Public Works has been scheduled for Friday and Saturday, May 11 and 12. These hearings will be held in Wilkes-Barre, Pennsylvania, and will be concerned mainly with the Federal response to Hurricane Agnes in the Wyoming Valley area.

As one who was directly involved in the relief and recovery activities following this major disaster, you are invited to testify before the Subcommittee at that time. In view of the numerous witnesses who will appear, it is necessary that oral presentations be summarized as much as possible and confined to no more than fifteen minutes in addition to time required for answering questions. Detailed written statements and supporting documents of greater length are welcome and will be accepted for inclusion in the printed hearing record.

Would you please let me know in writing at your earliest convenience whether you will be able to accept this assignment? At least two copies of your prepared statement should be sent to the Subcommittee by May 4, and 25 additional copies will be needed at the time of your appearance. Any questions or communications relating to the hearings should be directed to Clark F. Norton, Professional Staff, Senate Committee on Public Works, 4202 Dirksen Building, Washington, D.C., 20510, whose telephone number is (202) 225-8427.

The hearings will be held in the auditorium of the Wilkes College Theater in Wilkes-Barre and will begin at 9 A.M. each day. The Flood Recovery Task Force, Inc., for which you served as the first chairman, is scheduled to testify on Saturday, May 12, probably in the afternoon, although the exact hour of your appearance on that day can not be determined now with certainty. I hope you will be able to participate in the hearing at the proposed time.

Sincerely,



Quentin Burdick, Chairman
Subcommittee on Disaster Relief

Hearing File

April 20, 1973

Mr. Howard J. Grossman
Executive Director
Economic Development Council
of Northeastern Pennsylvania
P.O. Box 777
Avoca, Pennsylvania 18641

Dear Howard:

I have been out of town and returned today to find your letter of April 13 inviting me to the meeting on April 18. I regret that I could not attend it and did not have the opportunity to inform you that I could not be present. If there is anything else I can do, please let me know. I am sorry that the short notice gave me no opportunity to reply in time.

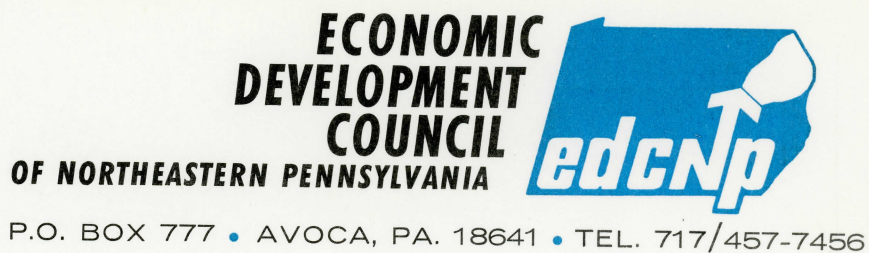
Sincerely,

MAX ROSENN

MR/bts

JOHN B. HIBBARD, President
ASA L. DAY, JR., Vice President
THOMAS P. SHELBURNE, Vice President
STUART F. PIPHER, Secretary
FRANK L. WILLIS, Treasurer and
Vice President of Fiscal Affairs

HOWARD J. GROSSMAN, Executive Director



April 13, 1973

Judge Max Rosenn
Flood Recovery Task Force
Sterling Hotel
Market Street
Wilkes-Barre, Pennsylvania 18701

Dear Max:

Min Matheson requested that I send you the attached notice concerning a meeting to be held with the Public Relations Committee involving Governor Scranton and others who worked on publicizing our flood problems last summer.

The Committee is meeting Wednesday, April 18, at 12:00 noon, at the Scranton Club to discuss the National Catastrophic Disaster Insurance legislation. In case you have not seen it, you will also find attached a summary of the legislation.

If you can make the meeting, it will be very helpful, but if your schedule does not permit it, perhaps we can talk over the telephone prior to the meeting.

Yours truly,

Howard J. Grossman
Executive Director

HJG:sma

Enclosure

JOHN B. HIBBARD, President
ASA L. DAY, JR., Vice President
THOMAS P. SHELBURNE, Vice President
STUART F. PIPHER, Secretary
FRANK L. WILLIS, Treasurer and
Vice President of Fiscal Affairs

HOWARD J. GROSSMAN, Executive Director

**ECONOMIC
DEVELOPMENT
COUNCIL
OF NORTHEASTERN PENNSYLVANIA**



P.O. BOX 777 • AVOCA, PA. 18641 • TEL. 717/457-7456

MEMORANDUM

TO: Special Committee on Flood Related Public Relations Needs

FROM: Howard J. Grossman, Executive Director

DATE: March 30, 1973

SUBJECT: Postponement of the April 5, 1973 Committee Meeting to
April 18, at 12:00 p.m.

On April 28, at King's College, the Pennsylvania Department of Community Affairs will be sponsoring a regional conference on disaster related activities. You will find enclosed a summary of the National Catastrophic Disaster Insurance Act proposal and information on the regional conference. As most of you know, bills have now been submitted in the House and Senate to establish a National Catastrophic Disaster Insurance Fund and public hearings will undoubtedly be held on this bill in the near future.

Governor Scranton has asked that I send a memorandum to you requesting your attendance at a luncheon meeting of the Committee scheduled for Wednesday, April 18, at 12:00 p.m., at the Scranton Club, to discuss what steps the Committee might take to encourage the passage of the National Catastrophic Disaster Insurance Act with the possibility of an effort toward inviting national media to participate in the April 28th Conference.

The Committee meeting had originally been scheduled for April 5. Due to a conflicting time schedule, the meeting has been postponed to April 18.

Please fill out the attached form indicating your attendance at the Committee meeting.

ECONOMIC DEVELOPMENT COUNCIL
OF NORTHEASTERN PENNSYLVANIA
Post Office Box 777
Avoca, Pennsylvania 18641

I will _____ will not _____ attend the Special Committee on Flood Related Public Relations Needs luncheon meeting to be held on April 18, at 12:00 p.m., at the Scranton Club, to discuss the passage of the National Catastrophic Disaster Insurance Act and the participation of national media in the April 28 DCA Conference.

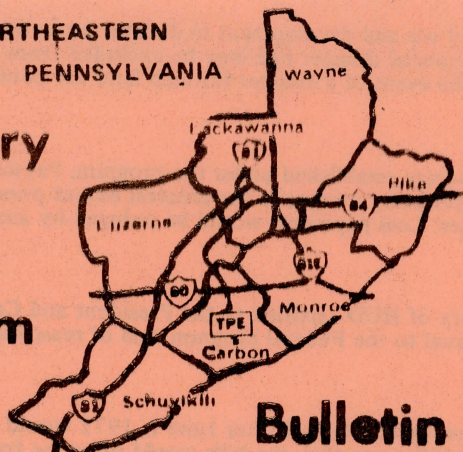
Name _____

Organization _____

Serving Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne Counties

Recovery Action Program

NORTHEASTERN
PENNSYLVANIA



Bulletin

JOHN B. HIBBARD, President
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THOMAS P. SHELburnE, Vice President
STUART F. PIPHER, Secretary
FRANK L. WILLIS, Treasurer and
Vice President of Fiscal Affairs
HOWARD J. GROSSMAN, Executive Director

VOL. II NO. 7
March 23, 1973

ECONOMIC DEVELOPMENT COUNCIL
OF NORTHEASTERN PENNSYLVANIA
P.O. BOX 777
AVOCA, PENNSYLVANIA 18641
(717) 457-7456

SPECIAL ALERT: NATIONAL CATASTROPHIC DISASTER INSURANCE ACT OF 1973

As is well known to residents of northeastern Pennsylvania, a series of major natural disasters affected various sections of the United States during 1972, resulting in enormous devastation to the property of individuals, businesses, and a wide range of essential public facilities.

In view of the tremendous damages caused by these disasters—and, in particular, the destruction caused by Tropical Storm Agnes, area Congressman Daniel J. Flood has proposed the National Catastrophic Disaster Insurance Act of 1973 (House Bill 4772). A bill identical to Congressman Flood's has also been introduced in the Senate under the co-sponsorship of Senators Hugh Scott, Richard S. Schweiker, and Hubert H. Humphrey. HB 4772 is currently being reviewed by the House Banking and Currency Committee while SB 1144 is being considered by the Senate Committee on Banking, Housing, and Urban Affairs.

Since the residents of northeastern Pennsylvania have a primary interest in the fate of the National Catastrophic Disaster Insurance Act of 1973, this issue of R.A.P. contains a synopsis of the bill followed by a listing of the members of the House Banking and Currency Committee and the Senate Committee on Banking, Housing, and Urban Affairs. Addresses of the members of each committee are also provided for those who may wish to make their views known concerning the bills.

THE NATIONAL CATASTROPHIC DISASTER INSURANCE ACT OF 1973, (House Bill 4772, Senate Bill 1144)

HB 4772 and SB 1144 would establish a Federal Disaster Insurance Program, administered by the office of the Federal Insurance Administrator of the Department of Housing and Urban Development. The catastrophic insurance program would cover losses sustained as a result of a declared disaster and provide for the restoration of equity on an insurance basis. By utilizing private insurance companies, the program could minimize post-disaster governmental expenses and maximize protection of those suffering losses in a disaster.

Mandatory coverage would be extended to all real and personal property insurance policies other than insurance on motor vehicles. A retroactive provision is included to cover losses sustained in a Presidentially-declared disaster area after June 1, 1972. The major provisions and pertinent details of the bill are as follows:

Types of Disasters Covered and Declaration of a Disaster Area

Catastrophic disasters specifically mentioned in the bill include: floods, high waters, windstorm, hurricane, tornado, tidal wave, drought, snowstorm, blizzard, earthquake and atomic accident or other catastrophies as defined by the administering agency.

Previously, to be eligible for benefits under disaster-related programs, the specific area had to be declared a disaster area by the President. HB 4772 and SB 1144 allow multiple declarations for a disaster area, and, thus, the coverage will be provided. In addition to a Presidentially-declared disaster area, the Secretary of Agriculture and the Small Business Administration Administrator would also have the powers to designate disaster areas which would be eligible for coverage.

Powers and Functions of the Administering Agency

The basic functions of the administering agency include the power to: (1) Prescribe the terms, conditions, and limitations of catastrophic disaster insurance and the extent of coverage; (2) impose and collect a premium surcharge on property insurance policies; (3) purchase re-insurance to the extent deemed appropriate and available; (4) make disbursements as necessary to insurance companies for claims paid by them to cover losses insured under the program; and (5) adopt and enforce such rules and regulations as are necessary to implement the provisions of the act.

The Premium Surcharge

A premium surcharge not exceeding 5 percent of property and liability insurance premiums would be imposed and collected. The funds generated would be pooled with other capital funds to cover claims resulting from disaster losses. The surcharge would not be levied on workmen's compensation insurance, bonds, and health insurance. Insurance on motor vehicles is also excluded from the surcharge. The surcharge is not subject to agent's or broker's commission or insurance company expenses.

The surcharge rate may vary on a statewide, regional, or countrywide basis or any combination thereof, to reflect variations in risk and control measures. This would provide some measure of equity in the imposition of the surcharge and offer the advantage of being based on sound actuarial data and financial considerations.

Terms, Limitations, and Coverage

After consultation with state insurance authorities the administrator will specify: (1) Particular kinds of catastrophic disasters to be covered; (2) the nature and limits of loss or damage in any area which may be covered by disaster insurance; (3) the classification, limitations, and rejection of any risk which may be necessary; (4) the extent to which such insurance shall be subject to deductibles or co-insurance provisions; and (5) the amount of disaster insurance which may be limited to a percentage of the property insurance in force for each owner. The percentage figure may be adjusted as the administrator deems necessary.

Financing

A special fund would be established in the U.S. Treasury which would consist of: (1) All revenues generated from the premium surcharge; (2) one percent of the aggregate amounts repaid each year from disaster loans issued by the Farmer's Home Administration and the Small Business Administration; and (3) authorization for an appropriation of 1 billion dollars to provide initial capital.

In addition, there is also included the power for the Secretary of HUD to issue notes or other obligations through the Secretary of the Treasury which shall be treated as public debt transactions.

Recovery Action Program (RAP) is a periodic publication of the Economic Development Council of Northeastern Pennsylvania designed to inform the region's residents and public officials of actions being taken and progress made toward recovery from the ravages of Tropical Storm Agnes. R.A.P. will be issued periodically as the recovery effort progresses. R.A.P. is prepared in the Research Section of EDCNP under the direction of Robert E. Shepherd. Staff responsible for this issue include: John Harenza, Editor; James Pettinger, Regional Analyst; Carol Haas, Typist; and Carole Weltoish, Multilith Operator.

Control Measures, Special Risk Areas

Properties in violation of state or local laws or ordinances governing land use and development in disaster prone areas may be excluded from coverage under the program. In a similar manner, areas having special disaster risk may be excluded from coverage unless it is determined that reasonable efforts have been made to mitigate losses in the event of a disaster through land use controls or other applicable measures.

Retroactive Payments

Disaster losses incurred after June 1, 1972 would be eligible for the coverage established under the program. Payments of loss would be made to all insured owners of real and personal property and non insured property owners to the greatest extent possible on the basis of loss settlement procedures normally employed by insurance companies. Loss payments would be reduced by any state or federal disaster assistance grants paid to disaster victims.

Termination of Program

The Federal Disaster Insurance Program would terminate if the Secretary of HUD certified to the President and Congress by no later than June 30, 1975, that catastrophe insurance with coverage at least equal to the Federal program and of reasonable cost, is available throughout the nation from private insurance companies.

SUMMARY

HB 4772 and SB 1144, with their retroactive payments to cover disaster losses incurred after June 1, 1972 would provide an additional measure of aid for flood victims in northeastern Pennsylvania. In addition to this, the bills would offer the following major advantages in the field of disaster insurance: (1) Fragmented coverage under existing policies offered by private insurance companies would be consolidated. Coverage for all major types of disasters would be automatically provided and paid for through the mandatory premium surcharge, appropriations, and disaster loan repayments. (2) Proper utilization of state and local land use and development controls could serve to avoid risk areas and promote implementation of hazard reduction measures in risk areas already developed. These features are a necessity if the program is to aid in hazard reduction. (3) Premium surcharge rates, varying to reflect the degree to which areas are subject to disasters, may serve as an additional means to implementing land use and control measures and increasing public awareness of the types and probability of disasters in given areas. (4) The implementation of an actuarially sound disaster insurance program, providing adequate financing to cover potential disaster losses could aid in minimizing post-disaster governmental expenses and facilitate prompt restoration of the equity of disaster victims.

HOUSE BANKING AND CURRENCY COMMITTEE

CONGRESSMEN:

CHAIRMAN, WRIGHT PATMAN (Texas), Office 2328, Rayburn House Office Building, Washington, D.C.
WILLIAM BARRETT (Pennsylvania), Office 2304, Rayburn House Office Building, Washington, D.C.
LEONOR KRETZER (Mrs. John B. Sullivan) (Missouri), Office 2221 Rayburn House Office Building, Washington, D.C.
HENRY S. REUSS (Wisconsin), Office 2159, Rayburn House Office Building, Washington, D.C.
THOMAS L. ASHLEY (Ohio), Office 2427, Rayburn House Office Building, Washington, D.C.
WILLIAM S. MOORHEAD (Pennsylvania), Office 2467, Rayburn House Office Building, Washington, D.C.
ROBERT C. STEPHENS, JR. (Georgia), Office 343, Cannon House Office Building, Washington, D.C.
FERNAND J. ST. GERMAIN (Rhode Island) (Not Available)
HENRY B. GONZALEZ (Texas), Office 2446, Rayburn House Office Building, Washington, D.C.
JOSEPH G. MINISH (New Jersey), Office 438, Cannon House Office Building, Washington, D.C.
RICHARD T. HANNA (California), Office 213, Cannon House Office Building, Washington, D.C.
THOMAS S. GETTYS (South Carolina), Office 341, Cannon House Office Building, Washington, D.C.
FRANK ANNUNZIO (Illinois), Office 1224, Longworth House Office Building, Washington, D.C.
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THOMAS BEVILL (Alabama), Office 1207, Longworth House Office Building, Washington, D.C.
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BILL CHAPPELL, JR. (Florida), Office 1124, Longworth House Office Building, Washington, D.C.
EDWARD I. KOCH (New York), Office 1134, Longworth House Office Building, Washington, D.C.
WILLIAM R. COTTER (Connecticut), Office 514, Cannon House Office Building, Washington, D.C.
PARREN J. MITCHELL (Maryland), Office 1228, Longworth House Office Building, Washington, D.C.
WILLIAM B. WIDNALL (New Jersey), Office 2309, Rayburn House Office Building, Washington, D.C.
FLORENCE P. DWYER (New Jersey), Office 2431, Rayburn House Office Building, Washington, D.C.
ALBERT W. JOHNSON (Pennsylvania), Office 1424, Longworth House Office Building, Washington, D.C.
J. WILLIAM STANTON (Ohio), Office 132, Cannon House Office Building, Washington, D.C.
BENJAMIN B. BLACKBURN (Georgia), Office 1019, Longworth House Office Building, Washington, D.C.
GARRY E. BROWN (Michigan), Office 404, Cannon House Office Building, Washington, D.C.
LAWRENCE G. WILLIAMS (Pennsylvania), Office 1503, Longworth House Office Building, Washington, D.C.
CHALMERS P. WYLIE (Ohio), Office 1331, Longworth House Office Building, Washington, D.C.
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STEWART B. MC KINNEY (Connecticut), Office 1007, Longworth House Office Building, Washington, D.C.
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BILL ARCHER (Texas), Office 1608, Longworth House Office Building, Washington, D.C.
WILLIAM FRENZEL (Minnesota), Office 1725, Longworth House Office Building, Washington, D.C.

SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

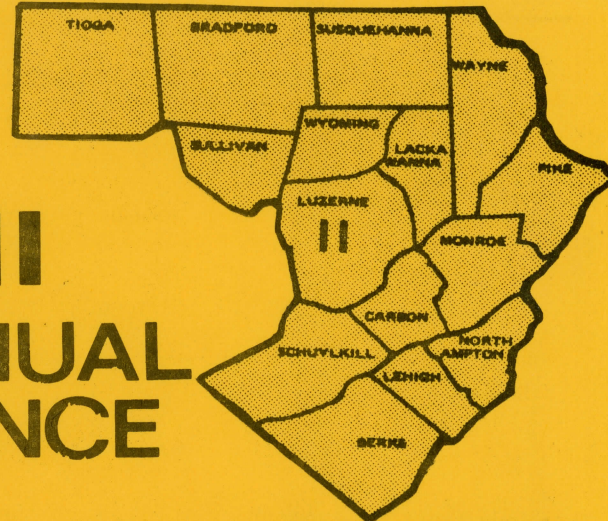
SENATORS:

CHAIRMAN, JOHN SPARKMAN (Alabama), Office 3202, New Senate Office Building, Washington, D.C.
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HARRISON WILLIAMS (New Jersey), Office 352, Old Senate Office Building, Washington, D.C.
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ALAN CRANSTON (California), Office 452, Old Senate Office Building, Washington, D.C.
ADLAI E. STEVENSON III (Illinois), Office 456, Old Senate Office Building, Washington, D.C.
J. BENNETT JOHNSTON, JR. (Louisiana) (Not Available)
WILLIAM HATHAWAY (Maine), (Not Available)
JOSEPH BIDEN, JR. (Delaware), (Not Available)
JOHN TOWER (Texas), Office 142, Old Senate Office Building, Washington, D.C.
WALLACE BENNETT (Utah), Office 1121, New Senate Office Building, Washington, D.C.
EDWARD BROOKE (Massachusetts), Office 421, Old Senate Office Building, Washington, D.C.
ROBERT PACKWOOD (Oregon), Office 6327, New Senate Office Building, Washington, D.C.
W.E. BROCK III (Tennessee), Office 304, Old Senate Office Building, Washington, D.C.
ROBERT TAFT, JR. (Ohio), Office 110, Old Senate Office Building, Washington, D.C.
LOWELL WEICKER, JR. (Connecticut), Office 342, Old Senate Office Building, Washington, D.C.



Milton J. Shapp, Governor
William H. Wilcox, Secretary
Edwin A. Sites, Regional Director

REGION II FIFTH ANNUAL CONFERENCE



✓ THIS DATE ON YOUR CALENDAR

APRIL 28, 1973
AT
KING'S COLLEGE
WILKES-BARRE, PA.

CURRENT INFORMATION ON:

- 1. NATIONAL CATASTROPHE INSURANCE**
- 2. NATURAL DISASTER PREPAREDNESS**
- 3. FEDERAL AND STATE AID FOR PROPERTY TAX LOSSES**
- 4. NATIONAL FLOOD INSURANCE**
- 5. OTHER RELATED SUBJECTS**

MAJOR SPEAKERS • **LUNCHEON**
PANEL SESSIONS • **EXHIBITS**

FURTHER DETAILS TO FOLLOW

Pennsylvania Department of Community Affairs — Scranton, Pennsylvania

p. 644 7 minute - Bentley.

Koist & Jones & Laughlin - 1961

May 4, 1973

Mr. Clark F. Norton
Senate Committee on Public Works
4202 Dirksen Building
Washington, D.C. 20510

Dear Mr. Norton:

I enclose herewith a statement of my proposed testimony before Senator Burdick's Subcommittee on Disaster Relief. I regret the delay in getting it to you, but I had no previous opportunity.

Sincerely yours,

MAX ROSENN

MR/bts

Enclosure

JENNINGS RANDOLPH, W. VA., CHAIRMAN

EDMUND S. MUSKIE, MAINE
JOSEPH M. MONTGOMERY, N. MEX.
MIKE GRAVEL, ALASKA
LLOYD BENTSEN, TEX.
QUENTIN N. BURDICK, N. DAK.
DICK CLARK, IOWA
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WILLIAM L. SCOTT, VA.
JAMES A. MCCLURE, IDAHO
PETE V. DOMENICI, N. MEX.

M. BARRY MEYER, CHIEF COUNSEL AND CHIEF CLERK
BAILEY GUARD, MINORITY CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS
WASHINGTON, D.C. 20510

April 19, 1973

Professor Andrew Shaw, Jr.
Director, Institute of Regional Affairs
Executive Director, Task Recovery Force
Wilkes College
Wilkes-Barre, Pennsylvania 18703

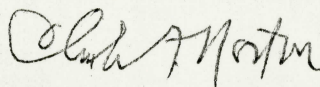
Dear Professor Shaw:

Thank you very much for sending me so promptly the list of names of persons who were active in the Flood Recovery Task Force, Inc., and who would be good potential witnesses for the hearings.

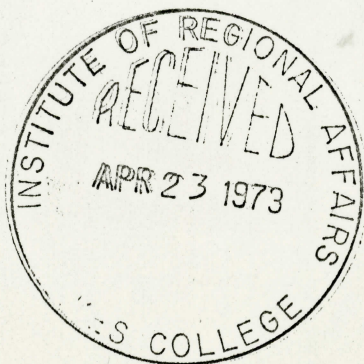
Senator Burdick has already written letters to each of these potential witnesses including you; I hope that most of them will be able to appear. Each member of the group can prepare and submit a written statement for the record which will be printed in full, however, there will not be sufficient time for all to make a complete oral presentation. No doubt the Senators will have questions for most of the members based on their written statements.

It was a pleasure to meet you and other local leaders during the meeting in Wilkes-Barre last week. I hope it will be possible to attend the Disaster Insurance Conference on April 28, but final decisions on this have not been made. In any case, I look forward to seeing you at the hearings in May.

Sincerely,



C. F. Norton
Professional Staff



PROPOSED TESTIMONY BEFORE SUBCOMMITTEE ON DISASTER
RELIEF OF THE SENATE COMMITTEE ON PUBLIC WORKS

As the former chairman of the Flood Recovery Task Force, I begin this appraisal of the Federal Government's response to Hurricane Agnes with a reminder that, as far as the number of people involved and homes and businesses lost, this was a disaster of unprecedented proportions. A fifteen minute evaluation of the Government's response must at best be superficial and fragmentary.

The first comment that should be made, I believe, is that the people of Wyoming Valley are profoundly grateful for the dedication and tireless efforts of hundreds of men and women who came here as representatives of the Federal Government to help them. And, as a final preliminary remark, I express a hope shared by every member of the Task Force: that our criticism of the federal response to Agnes and the recommendations we make for change will be understood to spring from an earnest desire for the lessons Agnes taught to be applied for the good of victims of future American disasters.

Generally speaking, we believe that the Disaster Act of 1970 enabled the Federal Government to make a splendid response to the immediate emergency phase and to the short-term, post-emergency phase of the June 1972 flood.

That evacuation of hospital patients and homeless persons was accomplished so quickly and efficiently was due in large part to action by the Federal Government. Street by street debris removal operations immediately after the flood were well organized, speedy, and efficient. Martial law was necessary, well planned, functioned effectively and with a minimum amount of frustration and inconvenience.

Our Senators and Congressmen were immediately concerned, appeared promptly, and extended themselves at all times. Senators Scott and Schweiker appeared promptly on the scene while the flood waters were still rampaging, were at all times available to officials of the Task Force, and were extremely helpful in the weeks and months following in developing and sponsoring much needed remedial legislation. President Nixon personally responded from San Clemente, where he was at the time, to Senator Scott's telephone call from Wilkes-Barre for help and within eight days had drafted much needed legislation and convened a meeting of the White House leaders from all flood stricken communities to discuss it and secure their support for it. Congressman Flood was tireless in his persistent and competent assistance, working day and night, week after week, into months, giving strength and support in the manifold problems confronting his constituents and the area communities.

Don Tobin, in charge of the Office of Emergency Preparedness Operations, took charge of their activities immediately. He was experienced and knowledgeable, decisive and resourceful, working around the clock week after week until exhaustion claimed him and he had to be hospitalized. Frank Carlucci also rendered effective service in coordinating the activities of the many federal agencies between themselves and with state and local agencies. There were many others in the federal service who also rendered significant service, for which we shall be forever grateful, whose names are too numerous to mention at this time, including the Congress who at all times demonstrated their concern and acted swiftly on the amendments to the SBA legislation.

The SBA amendatory legislation was necessary and essential to recovery and we thank the President and Congress for it. It was obviously an improvisation and, as such, was, in the opinion of the Task Force, less satisfactory and more costly than the alternative originally suggested by the Task Force. We suggested a program, retroactive co-insurance, in which the flood damage would be borne by the flood victim, state and federal government on a proportionate basis with a ceiling in any one case, especially in commercial and industrial losses.

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

24 April 1973

MEMO TO: Thomas Kiley, Harold Rose, Edward Schechter, Max Rosenn, Andrew Sordoni, III

FROM: Betty Schechter

With the aim of helping you organize the testimony you will give to the Senate Subcommittee on Disaster Relief on Saturday, May 12th, we are sending you an outline of topics you may want to comment on. And, with the aim of coordinating the testimony presented by various members of the Task Force, we are requesting that you let this office know:

1. if you plan to concentrate on a particular aspect of the federal response to the disaster, and if so, which one
2. if you agree that the Valley's experience since last June points to an urgent need for:
 - a. National Catastrophic Disaster Insurance
 - b. creation of a centralized Federal Government Disaster Relief Agency

Since Senator Burdick has asked that prepared statements be sent to the Subcommittee by May 4th, and Judge Rosenn has asked us to draft a statement for him to make on the basis of comments from key members of the Task Force, we would appreciate hearing from you on this no later than Friday, April 27th.

are



FOUNDED 1829

THE WYOMING NATIONAL BANK OF WILKES - BARRE
WILKES-BARRE, PENNSYLVANIA 18701

HAROLD J. ROSE, JR.
President

April 30, 1973

AREA CODE 717
823-0131

Mrs. Betty Schechter
Assistant Executive Director
Flood Recovery Task Force, Inc.
Hotel Sterling
Wilkes-Barre, Pennsylvania 18701

RE: Information in regard to the
Senate Committee hearings
scheduled for May 11th & 12th

Dear Betty:

I am writing to you, at this time, in order to document some of my feelings that hopefully can be used in regard to the above referred testimony. It is my understanding as of this date that only two representatives of the Task Force will testify; and as a result, perhaps some of my data can be injected into their statements.

First of all, and I am sure you and others will agree, I will confine my remarks mainly within the structure of the Small Business Administration, since this turned out to be one of my primary responsibilities. In regard to other matters, I am sure testimony will be gathered from those people who are knowledgeable about those facts and information.

I sincerely believe at this point in time after the flood, it has to be said that the Small Business Administration, overall, did a good job in fulfilling their responsibilities to our Communities. I could truthfully fill several pages of testimony in regard to the mass amount of problems that were encountered. This would not be useful at this time; and as a result, I will concentrate on just a few matters that I feel will resolve many problems if, in the future, a disaster of this magnitude occurs.

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Mrs. Betty Schechter

- (1) I do not believe that the SBA is the Federal agency that should be charged with the responsibility of administering the type programs that were necessary regarding financial recovery in Wyoming Valley after the flood. It is my understanding that the full employment strength on a national basis of this Agency is approximately 3,500 strong; and as a result, the Agency was burdened with a tremendous amount of inexperienced people hired who were supposed to process the work. Coupled with the problem that not only did they lack the number of qualified people because of their small national size, but that for some reason, unbeknown to me, they continually transferred the personnel who were qualified a short period after they were here. It appeared quite evident that the Agency did not understand the importance of internal and external communications. This was probably one of the most important factors that caused a tremendous amount of confusion and problems. To an extent, we believe this was caused by the tremendous turnover in higher level personnel because they failed to get their routines established prior to transition. The Task Force personnel at one period of time spent a tremendous number of hours with the management people of SBA in order to attempt a correction at this problem. Without proper internal communications, compounded by inexperienced help, the process becomes very difficult. I do not believe that that requires further explanation. In regard to external communications, it was quite obvious after a short period of time, and this continued, that everybody walking the street was an expert on SBA policy, procedures, and answers. That became a serious problem because people did not really understand a good portion of the advice that was being given by the so-called "experts", mostly incorrect. I strongly believe and

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urge in any future disasters of this nature that a top flight administrator be assigned to the responsible position of communications, both for the benefit of the Agency charged with the responsibility and for the benefit of the people who have claim for benefits.

- (2) Since we are always going to have, evidently, natural disasters throughout our great country, I would think the United States government should give consideration to a special force of highly trained government people who can immediately move into the area where the disaster occurs, so that there is a minimum amount of confusion, misunderstanding, etc. These personnel, regardless of present job occupation description in the United States government, could be put on a standby basis and only mobilized for this type duty if and when the emergency occurs. It is sad, indeed, when people are completely plagued from so many problems produced by a disaster of this kind, that they run into extreme frustration at the main source of recovery which is financial. An expertise force mobilized immediately after the fact would certainly contribute a tremendous amount of solution to that problem.

We also witnessed the slowness of monies forthcoming; namely, on large business loans. This is understandable to a banker or investment man, as an adequate analysis is required to determine decision. In our particular case, it was most urgent that business re-open as soon as possible for obvious reasons of employment, etc., and I feel that this acceleration could have been resolved if trained people were to have been here to do all of the necessary processing, and decision making. We have seen inequities occur in regard to amounts of loans, terms, collateral, etc. But again, due to the tremendous impact, practically at one time you would have to feel that this was bound to happen. Again, however, a 100% compliment of thoroughly

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Mrs. Betty Schechter

trained people would be able to understand and administer equitable terms, etc. It would be very worthwhile if and when this mobile force is established that the proper incentives be built into any mobilization so that there would not be any undo hardships on those personnel who would have to leave their homes for a long period of time. I state this because I personally had a lot of experience with (4) or (5) people who really started making things click; and then after a short period of time requested to be sent home. I would think a philosophy must be maintained such as one for fighting a war, that you have to win regardless of costs and in the shortest period of time as possible. No wars have ever been won with soldiers who were not trained.

- (3) I would very much like our testimony to show the number and dollar amounts of loans granted to individuals and businesses and also the outstanding commitments both in number and dollars to people and businesses, as I feel when expressed in these terms after (9) months it can do nothing but show that the SBA did a real service for our Community and its nation. As of this writing, those figures were not available to me but I understand they will be furnished by the Small Business Administration.

One has to understand the problems of accomplishing this much work with such a tremendous amount of inexperienced people. Under the circumstances, we have to admire their accomplishment. The countless number of hours maintained by the SBA personnel should be divulged to our Community so that they realize just what has been done. Publication of the above referred loans in number and dollar amount should also be given to the public.

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- (4) I believe extreme efforts should be made to the Senate Committee informing them of our attempt to have the flood losses paid on some form of insurance basis. Although this is now an after the fact matter, it relates to the present pending bill for Natural Catastrophic Disaster Insurance. It is the only fair equitable method of administering compensation for losses sustained. It would further document to a superior degree the amount of claim and/or benefit one would be entitled to. One of the problem matters that has caused unrest in our Community is the fact that again, through gossip, that it appears some people of less loss received more money than one who had greater loss and received less money. It would also eliminate the horrendous bickering we have had in our Community for the last (9) months regarding Urban Renewal Projects which resulted, or will result, in some people receiving pre-flood values for their homes and others receiving long-term SBA loans. There is a huge disparity between the two.
- (5) There should be established a formal rule of procedure in the future that when a disaster of this scope occurs a designated body including both Congressmen and Senators be charged with an inescapable responsibility of viewing in person the damage that has occurred. I am not in any way referring to our local Senators and Congressmen, since they did exactly what I am asking others to do. It is impractical to ask responsible people to vote on flood disaster relief bills without them having seen what has happened. I respectfully, along with my colleagues, requested last July that a proper representation of the House and Senate visit the area. One will never believe what it was like unless he had seen it.

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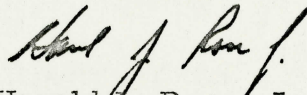
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Mrs. Betty Schechter

The tax payers of the area involved, without question, are entitled to that courtesy. How else can an appropriate and a fair vote be made to establish the help that was so greatly needed. Although the disaster act of 1972 was a form of godsend, I think it will be quite a while before we note if it was enough. One might speculate a \$10,000.00 foregiveness and no interest rates on loans would have been more appropriate.

I would not want one to conclude by reading this information that I felt the United States government has not fulfilled its responsibility. The intent of my documentation is to inform how it may have been done better.

Very truly yours,



Harold G. Rose, Jr.
PRESIDENT

HJR, Jr/po

FEDERAL DISASTER RECOVERY EFFORT

COMMITTEE ON HUMAN SERVICES, FLOOD RECOVERY TASK FORCE

There are several areas where, as a result of the efforts of the Committee on Human Services and our contacts with numerous social and recreational agencies, we have been able to gain some knowledge and impression of the flood recovery efforts. This is particularly true of Federal services as they relate to individual needs and also to the relationship of Federal efforts to the ongoing system of social and recreational services in the community.

Generally, there is substantial feeling that the Federal recovery effort was successful in providing much-needed services such as housing, loans, and the psychological service that this helping process can provide. At the same time, certain recommendations stemming from direct experience with the Federal effort have arisen.

The Federal effort might have come to Wyoming Valley with a much more coordinated approach in hand. At the same time, several agencies felt that better use of their resources might have been made had there been more emphasis placed on existing services that might have been mobilized and coordinated more effectively.

The presence of Mr. Carlucci provided support and the effectiveness of valuable and flexible leadership. Generally, however, it is felt that the period of reconstruction is a long one and the need for continuation of that kind of leadership and the flexibility that came with it is evident.

The specific areas where we feel that the impressions gathered from the flood can be looked at in retrospect and have been effected by or have effected the area of human services are included. General impressions as well as recommendations are included under each subheading.

HUD - The quick and massive response of the Department of Housing and Urban Development to the housing need was tremendously well-executed. On the other hand, a more efficiently administered system of filing and data retrieval would have allowed social agencies to have a clearer picture of the status of individual cases and the need for planning for services. Resident Advisory services were quite valuable but did not continue to provide individual service. It is recommended that they continue throughout the period of existence of the parks.

SBA - The SBA system and the subsystem of agencies aiding the potential SBA applicant worked quite smoothly. Deadlines for application, however, may have forced many persons into making hasty decisions based on little information of redevelopment or personal plans. Since many persons who were given SBA loans have been exhibiting problems in understanding proper use of these loans, a system of financial counseling would have been of benefit to many borrowers. This would have allowed them the benefit of long-term financial planning advice and helped them to use the money more wisely.

Task Force on Aging - The concept of the Task Force on Aging proved to be an extremely valuable one, whose long-range effects continue to be visible. Joint cooperative efforts between federal and local representatives was evident in each decision and project. Federal-local Task Force concept not only reinforced this cooperation and long-range growth, but allowed direct access to the decision makers and, consequently, a more prompt and effective response to the problems of the elderly. Enclosed in this report are recommendations prepared by the Luzerne County Bureau for the Aging and their description of their cooperative effort.

Project Outreach - Local agencies felt that the NIMH effort to provide crisis intervention to flood victims has proven to be less than necessary.

Local agencies have generally felt that they had the capability to respond to the problems in social functioning that were precipitated by the flood so that Project Outreach duplicated the service potential of these agencies.

During operation, it was generally felt that Outreach duplicated service given to individuals and failed to report this service to the proper agency. Problems given continuing treatment by para professionals employed by Project Outreach were felt to have warranted the intervention of more highly trained personnel who were available in existing agencies.

Task Force on Total Living Environment - The Task Force on Total Living Environment provided a good briefing source for local agencies. From our experiences and surveys we were able to see some positive results in coordination of federal, state and local responsibilities. At the same time, there needed to be more follow-up of areas of responsibility in the mobile home parks. Two examples of the lack of services that had been originally planned for parks are that of recreation and space. As of this date, these services are only minimally available at the parks, although there has been a great deal of effort expended by the Committee on Human Services to coordinate the existence of ~~x~~ much-needed recreation programs. There has been limited success. The recreation funding originally assured by the federal sector seems to have been lost, with the result that the provision of recreation in the parks was also lost.

Since the parks have been seen to be more permanent than originally thought to be, it is recommended that a Task Force on Total Living Environment not disband until permanent services are actually in existence in the parks.

CC:pw

4/27/73

Testimony to Subcommittee on Disaster Relief of the Senate
Committee on Public Works

Edward Schechter, Chairman, Flood Recovery Task Force Committee on Transportation.

Recommendations for improvement in Federal service in regard to Transportation after a major disaster.

The Federal response to the transportation emergency in this community after Agnes, was prompt, efficient, and effective. Led by the Secretary's regional representative, Dr. James Costantino, the Department of Transportation (DOT), made a determined effort to cooperate with this community and aid Wyoming Valley in its recovery. The following suggestions for changes in Federal DOT service after a major disaster are directed towards improvements which could be achieved by changing the law, or by changing existing administrative procedures.

- 1) A Federal DOT representative, having control of all DOT policies and with the authority to make on the spot decisions, should immediately establish an office in and maintain residence in the disaster area.

- 2) Each Federal region should pre-designate one or more such DOT employees, train them for emergency duties, and have them available for immediate emergency response.

- 3) Congress should authorize standby emergency funding to the entire DOT, similar to that available to the Federal Highway Administration, and make this available when needed to repair disaster-caused transportation damages. These funds should be used at the discretion of the Secretary of Transportation without special additional legislative Act.

- 4) Emergency relief funding should be made available promptly, at the discretion of the Federal DOT representative, to local and state authorities for transportation rehabilitation. Decisions on emergency relief funding, made during the disaster recovery period, should be firm commitments, and should not be subject to later withdrawal by the imposition of conflicting policies or contrary decisions by other Federal agencies.

Edward Schechter - Testimony to Subcommittee on Disaster Relief (continued)

5) Special consideration, after a disaster, should be given at the Federal level to elimination of time-consuming administrative or legally required procedures among departments and agencies. Particularly, a special waiver of the Environmental Impact Statement requirements of the Environmental Protection Agency should be authorized, in order to move ahead at the earliest possible time with reconstruction and rehabilitation of the transportation system.

Supplementary Observations on the Federal response to Agnes by
Members of the Flood Recovery Task Force

Dr. Francis Michelini - Chairman, Flood Recovery Task Force Committee on Education

On the whole, the federal response to the needs of the flood-affected, independent educational institutions was speedy and appropriate.

There was, however, a distressing lack of continuity in federal decisions regarding the extent of these institutions' flood losses. Initial appraisals of damage, on the basis of which, in some instances, investment in rehabilitation was made, were contradicted by subsequent federal appraisals.

Thomas Kiley - Chairman, Flood Recovery Task Force Committee on Planning and Development

OEP should be reclassified, or reconstituted with the specific charge to be the agency responsible for total disaster recovery.

There is a need for a National Disaster Management Act.

A single person should have authority and responsibility for decision making in the disaster area.

A disaster presents two major problems:

1. Welfare - housing and feeding of disaster victims
2. Recovery - repair and revitalization of the disaster-affected areas.

Some Federal agencies contributed to dislocation of the local economy by hiring local people at higher wages than was standard here.

Consideration should be given to making homeowners' policies cover all disaster situations. This should be mandatory

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

27 April 1973

Dr. Clark F. Norton
Professional Staff
Senate Committee on Public Works
4202 Dirksen Building
Washington, D. C. 20510

Dear Dr. Norton:

I acknowledge with thanks receipt of Senator Burdick's letter of April 16th, inviting me to appear before your subcommittee to testify on the question of the Federal response to hurricane Agnes in Wyoming Valley.

As a member of the Flood Recovery Task Force, Inc., with responsibilities in the area of transportation, I have prepared a written statement which will be incorporated as part of the total Flood Recovery Task Force, Inc. presentation. In order to save your time and with the aims towards greater efficiency, the Task Force testimony during the hearing in Wilkes-Barre will be presented by the Task Force leadership, Judge Max Rosenn, Mr. Andrew Sordoni, and its Executive Director, Mr. Andrew Shaw.

Many thanks for inviting me to participate in this worthwhile endeavor.

Sincerely,

E. Schechter

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Topics on which members of the Task Force may wish to comment in their testimony to the Subcommittee on Disaster Relief of the Senate Committee on Public Works on Saturday, May 12th

1. General Opinion of Federal Response to the Agnes Disaster during:
 - a. immediate emergency
 - b. clean-up and provision of temporary housing
 - c. long-range recovery effort
2. Philosophy of Federal Response
 - a. fear of creating dependent psychology - reasonable? undue? excessive?
 - b. insistence on non-interference, "no-strings" approach of EDA flood relief grants to municipalities - commendable? unrealistic?
 - c. lack of concern regarding equitable treatment of flood victims, i.e. interim assistance program for some and not for others until pressure was applied; failure to address inequities contained in pre-flood value for some and heavy debt for others - correctable? important? unimportant?
 - d. influenced by political considerations?
 - e. place of financial relief for disaster victims on list of federal priorities
 - f. recommendations for alternative federal responses to disaster relief
 1. National Catastrophic Disaster Insurance
 2. Centralized Federal Disaster Relief Agency staffed by personnel trained and experienced in disaster relief
3. Coordination Between Federal Agencies Charged with Providing Disaster Relief-adequate?
 - a. need for on-scene representative of the President
 - b. need for on-scene representatives of Federal Regional Council
4. Performance of Particular Agencies
 - a. OEP
 - b. SBA
 - c. HUD
 - d. other
5. Undue Waste of Funds and Effort?
6. Adequacy of Federal financial assistance to:
 - a. businesses
 - b. individuals
 - c. municipalities
7. Psychological Effects of Agnes method of providing Federal Disaster Relief
 - a. confusion due to multiplicity of relief agencies
 - b. inefficiency due to unrealistic deadlines for redevelopment planning, filing for SBA loans, etc.
 - c. uncertainty due to lack of detailed information on what to expect

DRAFT

Speaking for the Flood Recovery Task Force, I begin this appraisal of the federal government's response to Agnes with a reminder to those who read it that, as far as number of people involved and homes and businesses lost are concerned, this was a disaster of unprecedented proportions. The next thing that should be said, we believe, is that the people of Wyoming Valley are profoundly grateful for the dedication and tireless efforts of hundreds of men and women who came here as representatives of the federal government to help them. And, as a final preliminary remark, I express a hope shared by every member of the Task Force: that our criticism of the federal response to Agnes and the recommendations we make for change will be understood to spring from an earnest desire for the lessons Agnes taught to be applied for the good of victims of future American disasters. #1

Generally speaking, we believe that the Disaster Act of 1970 enabled the federal government to make a splendid response to the immediate emergency phase and to the short-term, post-emergency phase of the June 1972 flood. That evacuation of hospital patients and homeless persons was accomplished so quickly and efficiently was due in large part to action by the federal government. Street by street debris removal operations immediately after the flood were ^{well organized,} speedy and efficient. ^{Martial law was necessary, well planned, and functioned effectively and w/ a minimum amount of frustration and inconvenience} As far as assistance in the long-range recovery effort is concerned, however, we believe that the federal government was seriously hampered in a number of ways. 2.
First, it was forced to use tools designed for other than disaster relief purposes. Second, its approach was not sufficiently centralized. Third, it was limited by an inappropriate guiding philosophy. Fourth, its disaster relief mission was not assigned a high enough position on the list of national priorities. Fifth, the

approach to emergency housing that was chosen proved not to be suitable in a major disaster situation. Sixth, there were indications that the response to the disaster of every level of government was influenced to some extent by political considerations.

To provide background for the recommendations which conclude this appraisal, I will elaborate on each of these points.

✓ 1. Use of tools designed for other than disaster relief purposes

The liabilities inherent in using "normal-times" agencies to deal with a disaster situation were demonstrated time and again - chiefly, in the operations of HUD, SBA, and DOT. We believe that if HUD had not been bound by regulations requiring it to deal separately with each of the flood-affected municipalities, and to see disaster damage in terms of non-disaster urban blight, redevelopment planning and funding could have been accomplished more efficiently. ✓ (Details on SBA and DOT operations are appended in comments by Task Force members who worked in these areas.)

✓ 2. Insufficiently centralized approach

The multi-agency approach to relief operations bred confusion and militated against coordination of effort. SBA imposed deadlines for loan applications which encouraged investment in homes later scheduled for acquisition by a redevelopment authority. Unrealistic deadlines for demolition and, after the initial clean-up, for debris removal were set. The deadline HUD announced for the putting of redevelopment projects into execution made efficient planning impossible. HUD, SBA, OEP, EPA, and DOT, etc. all operated within separate and often conflicting frameworks of rules and funding regulations. ✓

✓ These are but a few examples of the crippling effect the fragmented character of the federal relief program had on the overall flood recovery effort. For the individual flood victim, plagued by a host of personal, flood-related problems, this fragmentation of the federal effort meant a great deal of needless confusion, multiple referrals, and uncertainty about what to expect.

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In this regard, it should be pointed out that Mr. Carlucci's and Mr. Conner's stays in the Valley did much during the early recovery period to ameliorate the unfortunate effects of a lack of coordination between federal agencies. ✓

3. Inappropriate guiding philosophy

The federal response to Agnes was flawed by undue fear of creating a dependent psychology among flood victims, and by unreasonable stress on the possibility of a "greedy" flood victim getting more assistance than he was entitled to. Since the overwhelming majority of those who lost homes and businesses had always been hard-working, self-sufficient, honest citizens, these evidences of paternalism and suspicion in the federal response were inappropriate.

Too, in one important relief program, federal relief funds were not distributed equitably. For a time, Interim Assistance funds were made available to one portion of the stricken community and denied to others.

Another criticism that can be made of the federal philosophy of disaster relief is that the emphasis it placed on non-interference in local affairs is unrealistic in a major disaster situation. For example, that EDA was unwilling to attach any adequate "strings" to the grants it made to flood-affected municipalities resulted,

in a number of instances, in the employment of untrained and otherwise unqualified persons as municipal flood administrators.

4. Disaster Relief's Too Low National Priority

The federal government did not have sufficient funds at its disposal to respond adequately to the enormous personal and property losses suffered by victims of this disaster. Because of this, the standard for acquisition of damaged homes had to be set at "structurally unsound", and this necessitated large-scale, economically infeasible rehabilitation and the assumption by thousands of flood victims of heavy burdens of life-long debt. Moreover, for a great many whose homes were not among the most badly damaged, the financial assistance the federal government is providing them is not enough to prevent them, too, from going into heavy debt.

Inevitably, comparisons have been made between the huge sums America has spent since last June on bombing areas half a world away from her shores, and the amount of financial assistance she provides to those of her citizens who have been victimized by forces beyond their control.

5. The Mobile Home Approach to Emergency Housing

Given the difficulties involved, there can be no doubt but that those in charge of bringing mobile homes to the flood-affected areas accomplished miracles. But there is widespread agreement that mobile homes are too cumbersome and too expensive to be a satisfactory solution to the problem of emergency housing in a major disaster situation. (further comment on this will be found under the Task Force's recommendations for federal response to future disasters)

6. Influence of political considerations

Indications that the federal response was not entirely free of political influence were: bickering between the state and federal governments about responsibility for some aspects of mobile home park management; termination of the very valuable on-the-spot presence of the Federal Regional Council and of Mr. William Conner and his staff shortly after the November national election.

RECOMMENDATIONS

In the earnest hope that Wyoming Valley's experience in recovering from the devastating effects of Hurricane Agnes will be of value to the federal government in determining the response it will make to future disasters, the Flood Recovery Task Force strongly recommends:

1. That disaster relief to individuals be provided through the vehicle of a mandatory National Catastrophic Disaster Insurance Program.

Such a program would contain important benefits both for the disaster victim and for the federal government. A system that protects every American against disaster losses to the extent that he has insured himself against non-disaster personal and property losses is consistent with the dignity of the individual and accurately reflects his foresight and thrift. For the federal government, this same system would not only substantially reduce the financial burden that disaster relief has placed on it in the past, but it would also encourage the traditional American value of self-reliance.

To name some of the economies such a disaster insurance program would mean for the federal government: elimination of the need for a large bureaucracy to administer SBA disaster loans; elimination of the "forgiveness" feature of these loans;

encouragement of speedy rehabilitation of disaster-affected homes which would result in reduction of the cost of providing rent-free temporary housing.

2. That disaster relief to communities and municipalities be provided through a special, centralized, Cabinet-level Disaster Relief Agency, headed by an administrator with authority to enforce coordination of recovery effort and assign a recovery team to the affected areas immediately after a disaster. This agency should be financed by a general contingency fund.

Creation of an agency such as the one described would enable the federal government to avoid the pitfalls inherent in a multi-agency approach to disaster relief. Unhindered by categorical grant requirements, it would be able to put relief funds where they are needed most. Redevelopment could be planned efficiently. Confusion springing from conflict of agency regulations would be eliminated. Realistic deadlines for various aspects of recovery work could be set. All of this would be certain to result in economies for the federal government and in elimination of conflicting instructions to disaster victims.

3. That a form of emergency housing, cheaper and more easily stockable and transportable than mobile homes, be devised.

It seems likely that if an insurance program that encourages speedy rehabilitation of damaged homes is put into effect, pre-fabricated housing units especially designed for short-term occupancy would meet the emergency housing needs of disaster victims.

- ① Flood Control - Over the
- ② disaster insurance
- ③ Cross Valley Expressway -

Bridges
Roads

mass transportation authority

- ④ Sanitary Water authority

- ⑤ The Recovery Act

- ⑥ Community Service

- ⑦ Recovery Fund

- ⑧ Entlemen & Rogan

- ① The Recovery Act
- ② The Recovery Act
- ③ The Recovery Act
- ④ The Recovery Act

COMMITTEE

CHAIRMAN

Families, Health & the Aging.....Mrs. Frank W. Anderson

Flood ControlRoy E. Morgan

Education.....Dr. Francis Michelini

Labor & Construction --
Contractors Assistance.....A. J. Sordoni, III

Transportation.....Edward Schechter

Planning & Development.....Thomas Kiley

State Aid.....Andrew Hourigan, Jr.

"Telling the Recovery Story".....David DeCosmo

Legislation & Equity.....Harold Rose

Local Government.....Joseph A. Quinn, Jr.

A Introduction -

- ① Genesis of the Flood Recovery Task Force
 ex Betty, Tom Kiley et al.
- ② ~~The accomplishments~~ Activities
 a) Staff
- ③ The accomplishments to date (Co-Inurance)
 a) SBA legisl.
 b) College & private schools
 c) Contractors
 d) National Press -
 e) River H. Bridge
 f) Cross Valley Expressway
 g) more transportation extension
 h) SBA workshop
 i) Bilotti visit & action
- ④ The Future
 J- Joint Planning - EDC

- 4) S.B.A. - (1 Dept - Bell, Ryzd -
not geared for this task,
philosophically the wrong org.
Based on banking principles
w/ strong security, integrity etc.

5-6 use for credit reports

Expended personnel - inexperienced

Mtgr Insurance

- 5) Housing -

While house not the answer -

Cooper on a temp. basis -

- ① Costly,
- ② slow
- ③ dislocations of families
 - a) education
 - b) transp.
 - c) church + recreation
 - d) police
- 4) sterile evidence

- 6) Army Corps - possible
single coordinating Egt agt.

- 7) Recommendations

Federal Protection
Good Jury action as
Consumer fraud
+ protection

Interim assistance
Mx side - limited unit
negotiated

Summary

1) Thanks for invitation to speak
Bd of - Insurance - windstorm
UB - only 2 or 3 insured

2) Perspective - Monday morning disturbed
easy from w/ time, distance
altitude.

a) Compliments to federal agencies,
O E R - Don T. de -
Army Corps -
Senators, Pres & Congressmen.

City
Board

19 Comm.

to be

Kleppe - fine - SBBP wrapped
Consumer shortcoming - fragmented -
Untrained, etc.

Good preparation
Consensus found
+ promotion
Summary

Therm area
West side - limited work
negotiated

1) Goals for invitation to speak
Brix - Insurance - windstorm
WB - only 2 or 3 insured

2) Perspective - Monday morning quarterback
easy from w/ time, distance
attitude.

a) Compliments to federal agencies,
OEPA - Don T. Dir. -
Army Corps -
States, Pres + Congressmen.

City
board

19 Comm.

Contractors
municipalities

the
separate

No flood
zoning

No discussion

7 it now
D

Keppe - fine - SBA wrapped
Community shortcoming - frustrated -
Untrained etc. - Crummer found protection.

3) S.B.A. amendatory legislation -
accepted disaster appropriations for
private education - Great

a) Retroactive co-insurance -
less costly, more less
painful, more effective.

b) Therefore, urge NCH directs
insurance

Memorandum

May 8, 1973

SUBJECT: HR 4772 - Support Letters
TO: Judge Max Rosenn
FROM: Bernie Blier

As the Disaster Insurance Program is being scheduled for sub-committee hearings, we sent out the attached letter and resolution to all members of the state Congressional Delegation and to members of the House Banking and Currency Committee.

B

**NORTHEASTERN PENNSYLVANIA INDUSTRIAL
DEVELOPMENT COMMISSION**

NORTHEASTERN PENNSYLVANIA INDUSTRIAL DEVELOPMENT COMMISSION

Chamber of Commerce Building

Scranton, Pennsylvania 18503

Phone (717) 344-3913

Chairman

ROY STAUFFER

President

VICTOR C. DIEHM

Vice President

MAJOR LEE WHITE, Jr.
STUART F. PIPHER

Executive Director

BERNARD B. BLIER

May 9, 1973

TO MEMBERS OF THE HOUSE BANKING AND CURRENCY COMMITTEE, AND
TO THE PENNSYLVANIA HOUSE OF REPRESENTATIVES DELEGATION:

In the words of Dan Flood, "the human answer to disaster is the people's answer" and since our Congressional Representatives are the "people's" representatives, our Commission humbly appeals to each of you to support and work hard for the passage of HR 4772 - - - the National Catastrophic Disaster Program.

While the federal government reacts in varying degrees to natural disasters, the unforgettable experience of Hurricane Agnes and the yet-to-be-assessed mid-country flooding disaster of the moment must assure our future victims that some insurance plan will be there for protection of innocent people visited by the traumatic shock of witnessing their life's work vanish before them.

May the present victims and all future unfortunate victims thank each of you for your expression of confidence in the future of this country and an answer to our natural perils through your vote and support of HR 4772.

We offer a Commission resolution which is attached for your further consideration.

Respectfully yours,

NORTHEASTERN PENNSYLVANIA
INDUSTRIAL DEVELOPMENT
COMMISSION

Victor C. Diehm,
President

VCD:AK
ATTACH.

Sound REGIONAL INDUSTRIAL DEVELOPMENT Supports
Regional Government, Business, Cultural and Educational Progress.

EMERGENCY RESOLUTION IN SUPPORT

OF THE

NATIONAL CATASTROPHIC INSURANCE PROGRAM

(HOUSE BILL 4772, by Congressman Daniel J. Flood and others)

WHEREAS, emotionalism and restating the dimension of Hurricane Agnes are not necessary to dramatize the nation's greatest natural disaster so well known to all members, and

WHEREAS, the best minds familiar with all types of devastation have arrived at a comprehensive program method to assure adequate coverage of recent past and future disaster damage, and

WHEREAS, the federal government not through direct appropriations but under an insurance contract can through sound legislation provide for the common welfare of disaster victims,

NOW, THEREFORE, BE IT RESOLVED by the Northeastern Pennsylvania Industrial Development Commission that the Members of Congress consider and promptly enact House Bill 4772 creating the National Catastrophic Disaster Insurance Program to demonstrate that our national government is alert to and in sympathy with those unfortunate people stricken by natural disasters.

NORTHEASTERN PENNSYLVANIA INDUSTRIAL
DEVELOPMENT COMMISSION

Victor C. Diehm, President

Bernard B. Blier, Executive Director

May 3, 1973

NORTHEASTERN PENNSYLVANIA INDUSTRIAL DEVELOPMENT COMMISSION

Chamber of Commerce Building

Scranton, Pennsylvania 18503

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Vice President

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STUART F. PIPHER

Executive Director

BERNARD B. BLIER



May 8, 1973

Honorable Daniel J. Flood,
House of Representatives,
Washington, D.C.

Dear Dan:

Vic had me send out a letter with a copy
of the Commission's resolution asking for enactment of your Bill -
HR 4772.

This information was forwarded to all
members of the state congressional delegation and all members of
the full House Banking and Currency Committee with copies of these
rosters attached.

We hope you are successful and all present
and future beneficiaries are thankful to you.

With today's Presidential announcement
that HUD will launch its own congressional disaster program, as yet
one cannot determine how it might collide with your proposed Disaster
Agency or the coverage of HR 4772.

Best regards,

BB:AK

Bernie Blier

cc: V. C. Diehm
Judge M. Rosenn
A. J. Sordoni

Sound REGIONAL INDUSTRIAL DEVELOPMENT Supports
Regional Government, Business, Cultural and Educational Progress.

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PAGE TWO

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PROPOSED TESTIMONY BEFORE SUBCOMMITTEE ON DISASTER
RELIEF OF THE SENATE COMMITTEE ON PUBLIC WORKS

As the former chairman of the Flood Recovery Task Force, I begin this appraisal of the Federal Government's response to Hurricane Agnes with a reminder that, as far as the number of people involved and homes and businesses lost, this was a disaster of unprecedented proportions. A fifteen minute evaluation of the Government's response must at best be superficial and fragmentary.

The first comment that should be made, I believe, is that the people of Wyoming Valley are profoundly grateful for the dedication and tireless efforts of hundreds of men and women who came here as representatives of the Federal Government to help them. And, as a final preliminary remark, I express a hope shared by every member of the Task Force: that our criticism of the Federal response to Agnes and the recommendations we make for change will be understood to spring from an earnest desire that the lessons Agnes taught be applied for the good of victims of future American disasters.

Generally speaking, we believe that the Disaster Act of 1970 enabled the Federal Government to make a splendid response to the immediate emergency phase and to the short-term, post emergency phase of the June 1972 flood. That evacuation of hospital patients and homeless persons was accomplished so quickly and efficiently was due in large part

to action by the Federal Government. Street by street debris removal operations immediately after the flood were well-organized, speedy, and efficient. Martial law, necessary and well-planned, functioned effectively and with a minimum amount of frustration and inconvenience.

Our Senators and Congressmen were immediately concerned, appeared promptly, and extended themselves at all times. Senators Scott and Schweiker were on the scene while the flood waters were still rampaging. They were at all times available to officials of the Task Force, and they were extremely helpful in the weeks and months following in developing and sponsoring much needed remedial legislation. President Nixon personally responded from San Clemente, where he was at the time, to Senator Scott's telephone call from Wilkes-Barre for help. Within eight days, the President had drafted much needed legislation and convened a meeting at the White House of leaders from all flood-stricken communities to review it with them. Congressman Flood was tireless in his persistent and competent assistance, working day and night, week after week, into the months, giving strength and support in the manifold problems confronting his constituents and the area communities.

General Lincoln promptly examined conditions for the Office of Emergency Preparedness. He assigned Don Tobin, experienced and knowledgeable, decisive and resourceful, to the charge. He worked around the clock week after week, until exhaustion claimed him and he had to be hospitalized. Frank

Carlucci and his staff also rendered effective service in coordinating the activities of the many Federal agencies between themselves and with state and local agencies. There were many others in the Federal service who also rendered significant service, in carrying out rescue, health, housing, and sanitation measures, for which we shall be forever grateful, whose names are too numerous to mention at this time. The Congress also demonstrated its concern and acted swiftly on amendments to the SBA legislation, special measures for the restoration of our private non-profit colleges and schools, and disaster relief supplemental appropriations.

The SBA amendatory legislation was necessary and essential to recovery and we thank the President and Congress for it. It was obviously an improvisation and, as such, was, in the opinion of the Task Force, less satisfactory and more costly than the alternative originally suggested by the Task Force. We suggested a program of retroactive co-insurance, in which the flood damage would be borne by the flood victim, state and federal governments on a proportionate basis with a ceiling in any one case, especially in commercial and industrial losses.

In the long run, it would have been the precursor for National Disaster Insurance, a program desperately needed in this country. Under our proposal, the

flood victim would have assumed 30% of his losses, the state 20%, and the Federal Government 50%. The losses would have been determined by skilled appraisers, as in any casualty loss.

Such a program would have enabled each flood victim to have received assistance on the basis of his actual loss, without the frustrating problems communities now have of emotional people complaining that they must borrow money on long-term mortgage loans while their neighbors' properties are acquired at pre-flood value by redevelopment authorities. It also would have stimulated rehabilitation of homes as quickly as possible, rather than deter the many who were compelled to await decisions by redevelopment authorities as to the properties to be acquired. Months of frustration on the part of large numbers of people and useless expenditure of monies to rehabilitate properties which were subsequently acquired by redevelopment authorities would have been avoided.

As for the SBA, they probably did their best with the machinery and organization at hand. It had to expand its personnel suddenly and dramatically. Newly hired people had no experience with SBA machinery. Important and far-reaching decisions had to be made affecting many flood victims. Expanded personnel for the most part did not have the expertise, the training, and the knowledge to make the decisions that were required. This led to endless frustration for many of the flood victims and unfortunate consequences. Moreover, appraisals

made for SBA were unrealistic in too many cases. Appraisers were brought in from other parts of the country who had little familiarity with the cost of construction in the Northeast and also did not know how to cope with the runaway prices being charged for restoration and reconstruction. Construction costs have mounted with inflations, they have multiplied in this compact area desperately clamoring for carpenters, painters, plumbers, and other craftsmen.

Change through mgmt.

An aspect of the SBA program meriting prompt consideration, both for the protection of the Government and the borrower, is term life mortgage insurance. Many of the parties have now incurred long-term mortgages and do not have the benefit of mortgage insurance with the SBA. This type insurance is available with banks and savings and loan associations. This is a form of term life insurance available at minimal cost on a group basis, providing payment of the mortgage in the event of the death of the borrower during the term of the mortgage. Many of the borrowers are uncomfortable because of the long-term loan and the enormous debt they now carry. They are fearful that their families will be penniless without such protection and the mortgage unpaid.

The mobile home program did serve a useful purpose on an emergency basis. While it came into a great deal criticism on the part of numerous impatient and frustrated people, by and large it was handled as well as it could have been under the circumstances. However, I believe the facts will reveal that

it was an expensive program. It cost substantial sums of money to prepare the pads and the areas where they were established; utilities had to be brought in, and many services provided. It called for additional police protection, recreational facilities, and special attention for the aged. After the first few weeks of mobile home occupation, most occupants looked forward to the return to their own homes. It seems to me that a more effective and less costly program for temporary emergency housing can be developed. Temporary modular housing should be fabricated for disaster purposes which could be dismantled after it has served its purpose.

Interim Assistance was an attractive program and was quite valuable. However, it came too late in many cases because there were many people with initiative who tried to rehabilitate their own homes. They did so on their own time, at their own expense, and before Interim Assistance was available. On the other hand, many who did get the benefit of Interim Assistance might have gotten much more for the amount of money that was expended if they had been given an allowance and enabled to negotiate their own contract, subject to approval and inspection by Army engineers.

No copies of contract to home owner.

I cannot overemphasize the importance and value of Army engineers in the flood recovery effort. Their expertise, initiative, and esprit de corps were invaluable in many areas. These qualities were significant in the Interim Assistance Program. They could draft repair specifications expertly; they inspected the work with a knowing eye; and they reduced

consumer fraud appreciably. Private negotiation by the homeowner, combined with Army engineers' expertise and payout by the Government, would have saved money, encouraged speedy return to the home, and relieved many frustrations. It would also have reduced the dependence upon the Government for all assistance.

Agnes revealed the need for a carefully conceived disaster program by the Federal Government designed for immediate implementation and one prepared to promptly involve state and local agencies. Such a program requires a highly trained cadre -- perhaps men and women in other agencies with special training for this purpose who can be drawn upon quickly in time of emergency.

The liabilities inherent in using "normal-times" agencies to deal with a disaster situation were demonstrated time and again -- chiefly, in the operations of HUD, SBA, and DOT. We believe that if HUD had not been bound by regulations requiring it to deal separately with each of the flood-affected municipalities, and to see disaster damage in terms of non-disaster urban blight, redevelopment planning and funding could have been accomplished more efficiently.

The multi-agency approach to relief operations bred confusion and militated against coordination of effort. SBA imposed deadlines for loan applications which encouraged investment in homes later scheduled for acquisition by a redevelopment authority. Unrealistic deadlines for demolition and for debris removal were set. The deadline HUD announced for

the putting of redevelopment projects into execution made efficient planning impossible. HUD, SBA, OEP, EPA, and DOT, etc. all operated within separate and often conflicting frameworks of rules and funding regulations.

These are but a few examples of the crippling effect the fragmented character of the federal relief program had on the overall flood recovery effort. For the individual flood victim, plagued by a host of personal, flood-related problems, this fragmentation of the federal effort meant

a great deal of needless confusion, multiple referrals, and uncertainty about what to expect.

In this regard, it should be pointed out that Mr. Carlucci's and Mr. Conner's stays in the Valley did much during the early recovery period to ameliorate the unfortunate effects of a lack of coordination between federal agencies.

In the earnest hope that Wyoming Valley's experience in recovering from the devastating effects of Hurricane Agnes will be of value to the Federal Government in determining the response it will make to future disasters, the Flood Recovery Task Force strongly recommends:

1. That disaster relief to individuals be provided through the vehicle of a mandatory National Catastrophic Disaster Insurance Program. Such a program would contain important benefits both for the disaster victim and for the federal government. A system that protects every American against disaster losses to the extent that he has insured himself against non-disaster personal and property losses is consistent

with the dignity of the individual and accurately reflects his foresight and thrift. For the Federal Government, this same system would not only substantially reduce the financial burden that disaster relief has placed on it in the past, but it would also encourage the traditional American value of self-reliance.

To name some of the economies such a disaster insurance program would mean for the Federal Government: elimination of the need for a large bureaucracy to administer SBA disaster loans; elimination of the "forgiveness" feature of these loans; encouragement of speedy rehabilitation of disaster-affected homes which would result in reduction of the cost of providing rent-free temporary housing.

2. That disaster relief to communities and municipalities be provided through a special, centralized, Cabinet-level Disaster Relief Agency, headed by an administrator with authority to enforce coordination of recovery effort and assign a recovery team to the affected areas immediately after a disaster. This agency should be financed by a general contingency fund.

Creation of an agency such as the one described would enable the Federal Government to avoid the pitfalls inherent in a multi-agency approach to disaster relief. Unhindered by categorical grant requirements, it would be able to put relief funds where they are needed most. Redevelopment could be planned

efficiently. Confusion springing from conflict of agency regulations would be eliminated. Realistic deadlines for various aspects of recovery work could be set. All of this would be certain to result in economies for the Federal Government and in elimination of conflicting instructions to disaster victims.

Army Engineers must play a major role.

3. That a form of emergency housing, cheaper and more easily stockable and transportable than mobile homes, be devised.

It seems likely that if an insurance program that encourages speedy rehabilitation of damaged homes is put into effect, pre-fabricated housing units especially designed for short-term occupancy would meet the emergency housing needs of disaster victims.

4) *mtg insurance for S.B.A. borrowed w/ premiums pd by them on a purchase basis.*

5) Pre-disaster plan carefully coordinated w/ Army Engineers and state govt, and local Gov't. Carefully defined

⑥ ~~Consumer food protection~~

⑥ Freezing of prices for ^{rents,} material + supplies, ^{in disaster area} when disaster is declared and flexible wage controls - disaster controls.

- 10 -

Couldn't bring in at prevailing wage rates.

May 14, 1973

Mr. Andrew Shaw, Executive Director
Flood Recovery Task Force, Inc.
Hotel Sterling
Wilkes-Barre, Pa. 18701

Dear Andy:

I am enclosing my prepared statement which I submitted last week to the Senate Subcommittee. You may want a copy of it for your files. I thank you and Betty for your input into the testimony and for a copy of the Peat Marwick Proposal. I shall be in touch with you when I return next week.

It was good seeing you and Andy Sordoni. What you had to submit, I think, was valuable and well done.

Sincerely yours,

MAX ROSENN

MR/bts

Enclosure

JENNINGS RANDOLPH
CHAIRMAN

United States Senate
COMMITTEE ON PUBLIC WORKS

Washington, D.C.

June 8, 1973

To: _____

Judge Rosen

Please review and correct your
remarks, supply any additional
information or exhibits re-
quested, and return this copy
to—

Paul Chimes
Committee on Public Works
Room 4202
New Senate Office Building
Washington, D.C. 20510

I would appreciate having the
transcript returned by—

June 18, 1973

Respectfully,

Paul Chimes

June 13, 1973

Mr. Paul Chimes
Committee on Public Works
Room 4202
New Senate Office Building
Washington, D.C. 20510

Dear Mr. Chimes:

Thank you for the copy of the transcript
of my testimony before the Senate Committee on Public
Works.

There are a number of corrections I have
made in light pencil. They appear on the following
pages:

p. 592 line 23, 24
p. 593 line 9
p. 594 line 25
p. 595 line 13, 18, 20
p. 596 line 9
p. 600 line 3
p. 605 line 11, 13

Sincerely yours,

MAX ROSENN

MR/bts

Enclosure

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

September 24, 1973

M E M O

To: Charles Hardwick, Harold Rose, Max Rosem, Andrew Sordoni

From: Task Force Staff

Re: Task Force Statement on H.R.4772, the National Catastrophic Disaster Insurance Act of 1973

We would appreciate receiving any suggestions you may have regarding the attached statement by October 1st.

S T A T E M E N T

by the

Flood Recovery Task Force, Inc.

to the

Subcommittee on Housing, House Banking and Currency Committee

on

The National Catastrophic Disaster Insurance Act of 1973

The Flood Recovery Task Force is a citizens organization formed immediately after the Tropical Storm Agnes flood of June 1972 to help residents of Pennsylvania's Wyoming Valley recover from the devastating effects of the disaster that had befallen them. Incorporated in August 1972, and funded by the Economic Development Administration, the Task Force has operated through a Board of Directors, and Executive Committee, a Steering Committee, ten working committees made up of community leaders serving on a volunteer basis, and a three-person staff. Each of the ten working committees was assigned to one of the following areas: Transportation, Planning and Development, Legislation and Equity, Flood Control, Human Services, Labor and Construction, Education, State Aid, Local Government, and Telling the Recovery Story. Each of these Committees has worked closely, chiefly in a coordinating role, with Federal, State, local government, and private agencies involved in the recovery effort.

We are grateful for this opportunity to address the Subcommittee on Housing of the House Banking and Currency Committee, and, to make the most of it, we will divide our testimony into two sections. First, we will explain why we believe a catastrophic disaster insurance program is urgently needed. Next, we will state why we believe that, of the various proposals for disaster insurance presently before the Subcommittee, H. R. 4772 provides the most useful answers to the pressing economic and human problems arising out of extensive property losses resulting from a major disaster.

1

Much of what the casual visitor to Wyoming Valley sees these days is misleading. Walking through one or another of the Valley's once flooded business districts, the visitor notices that many stores have recently been renovated and fitted out with the latest in merchandising fixtures. Driving through the residential neighborhoods, he sees house after house being dressed in new aluminum siding. On every side he hears the cheerful sounds that hammers and saws make: people are getting new porches, new garages, new roofs. Entering a newly rehabilitated house, he finds its interior extraordinarily clean and bright - fresh paint; the new, shiny wallpaper; the latest in panelling; this year's refrigerator, stove, and washing machine; brand new furniture; spotless curtains; carpets still shedding their baby fuzz. Unless he is of an unnaturally reflective turn of mind, the visitor is very apt to conclude that, thanks to generous assistance from their fellow-Americans, the people of Wyoming Valley not only have recovered satisfactorily from the Agnes flood but are now actually better off than they were before.

It isn't so. Tucked away in the drawers of brand new desks and bureaus are documents that tell the real story - the records flood victims keep of their flood related expenditures and copies of the complicated forms the Small Business Administration requires loan applicants to fill out. The records of expenditures reveal that the reason so much of what one sees in Wyoming Valley today is bright, shiny, and new is that everything the flood waters touched either rotted, or warped, or mildewed, or shrank, or cracked and, therefore, had to be discarded and replaced. The applications

for SBA loans reveal that the cost of emptying a house of everything it holds, of stripping it down to its studs, and, then, of rehabilitating and refurnishing it, so far exceeds what the average homeowner can afford that even a low interest loan that "forgives" the first \$5,000 is woefully inadequate to his financial need. Today, fifteen months after the Agnes disaster, Wyoming Valley shows a brave face to the world. But, to many, many Valley residents, the future looks far from bright. The unfortunate truth about thousands of Wyoming Valley families is that, in spite of being beneficiaries of the most compassionate disaster legislation ever passed, they are heavily in debt - many of them, so heavily that the head of the family can't expect to live long enough ever to be solvent again.

It doesn't have to be that way. At an acceptable cost to the country as a whole, we can create laws which will insure that never again will American victims of disasters be saddled with such enormous debts. Such laws, we firmly believe, should take the form of a catastrophic disaster insurance program. A loan, no matter how generous its terms, can only apply a tourniquet to the deep economic wounds a disaster inflicts; restoration of equity through disaster insurance would be an economic transfusion enabling them to heal.

If passed into law, H. R. 4772 would benefit the future disaster victim in other important ways, too. It would spare him the agonizing SBA loan-connected delays and frustrations Wyoming Valley residents had to endure, for compensation of losses would be automatic. Then, too, since disaster

insurance would provide the disaster victim with compensation for his losses as his right, enactment of this law would do away with the highly inappropriate suppliant-benefactor relationship between the disaster victim and his government that prevailed in the wake of Agnes.

The average taxpayer would benefit too: enactment of H. R. 4772 would result in substantial economies for the Federal government. For one thing, it would eliminate the need for a large bureaucracy to administer disaster loans. For another, it would eliminate the expense to the Federal government of "forgiving" portions of these loans. For still another, it would save the Federal government the revenue it loses when it provides disaster relief through the vehicles of long-term, low-interest loans and tax rebates.

Moreover, enactment of H. R. 4772 would be a much needed spur to land-use planning by local governments and regional bodies. Since disaster victims would receive speedy, comprehensive compensation for their property losses, they would be able to start rebuilding or rehabilitating promptly; realizing this, local regulatory bodies would undoubtedly think it prudent to guard against the possibility of undesirable post-disaster construction by drawing up guidelines indicating permissible land-use.

II

Of course, endorsement of the principle of catastrophic disaster insurance implies the obligation to address certain knotty questions. Should

the purchase of such insurance be ~~Voluntary~~ or mandatory? How should such insurance be funded? Should it be made retroactive to recent disasters? For the reasons given below, the Task Force believes that H. R. 4772 provides the best possible answer to each question.

We have no doubt but that to be successful disaster insurance must be mandatory. The incidence of damaging fires is great enough to convince the average citizen to protect himself against fire losses. Not so disasters. Experience has shown that most people think of a disaster as something that happens to other people, someplace else. Even allowing for the circumstance that until recently flood insurance was prohibitively expensive, it is noteworthy that at the time Agnes struck, only two persons in all of Wyoming Valley carried it.

Nor do we think that making eligibility for Federal disaster relief dependent on the prior purchase of disaster insurance, as H. R. 6524 provides, would encourage the voluntary purchase of disaster insurance appreciably. Since, before Agnes, few Valley residents even considered the possibility of being involved in a disaster, we can only conclude that it is inherent in human nature for people who have always been lucky to expect that they will go right on being lucky.

We see H. R. 4772's proposals for funding catastrophic disaster insurance as entirely rational and eminently fair. This bill assumes, as H. R. 6524 appears also to assume, that unless disaster insurance is heavily subsidized it will be far beyond the reach of the average citizen. Believing this to be quite correct, we strongly endorse the concept of funding this insurance

chiefly by 1) attaching a small surcharge, prorated according to local disaster risk and to measures that have been taken to reduce disaster hazard, to all property insurance policies, and 2) putting a one percent levy on repayments to SBA and FHA of their disaster recovery loans. We firmly believe this to be the fairest possible way of spreading the cost of subsidized disaster insurance among the general population. And we believe that the \$1 billion seed money appropriation this bill calls for is eminently reasonable, especially since the bill provides for repayment of this sum to the Treasury as soon as sufficient reserves are built up in the national disaster fund.

We also believe that H. R. 4772's method of funding disaster insurance would have the highly desirable side-effect of re-emphasizing traditional American values. A system of insurance that protects the citizen against non-disaster losses bolsters the dignity of the individual and rewards thrift and self-reliance.

To the question of whether or not it is fair to charge Americans living in parts of the country where the risk of natural disaster is low for disaster relief to countrymen who chose to live where the risk of natural disaster is high, the Task Force answers, "Yes, if the charge is prorated according to risk as H. R. 4772 provides." In this connection we would like to emphasize that H. R. 4772's provisions cover all disasters, manmade as well as natural, and to point out that the risks of large-scale disasters inherent in modern technology make every American, no matter where he lives, a potential disaster victim.

Regarding retroactivity, we believe that H. R. 4772's provisions should be made retroactive to June 1, 1972 in order to ease the economic hardships major disasters that occurred since that date visited on their victims.

That we are very eager to see our community released from the servitude to cruel and unusual debt that Agnes imposed on it goes without saying. We hope, however, that our support for retroactivity will not be seen only as evidence of natural self-interest. We point out to the Subcommittee that when a sizeable segment of the population suffers extraordinary, lasting, economic hardship, the economy of the nation as a whole is inevitably affected adversely. And we postulate that another reason retroactivity of disaster insurance is in the national interest is that it is consistent with our nation's highest values. Surely, if it is "the American way" to work hard, to be self-reliant, and to save against the possibility of hard times, it is also the American way to give more than emergency assistance to the man who, victimized by forces so powerful as to make a mockery of the term "hard times", sees the fruits of a lifetime of labor destroyed in the space of a single day.

Possibly because Nature has dealt our country unusually harsh blows in recent years, more and more Americans are recognizing the need for disaster insurance. That this is so can be seen from the unsolicited replies the Greater Wilkes-Barre Chamber of Commerce has received in response to letters it sent requesting support for H. R. 4772 and its companion bill, S. 1144. Sent to Chambers serving areas whose Congressman or Senator sits on a Committee charged with considering disaster legislation, the local Chamber's letters

elicited a heartening number of affirmative replies (copies attached). Many of these, it should be noted, specifically mentioned endorsement of the Bill's retroactivity clause. Of course, these letters cannot be regarded as any kind of measure of nationwide support for H. R. 4772. On the contrary, since the Chamber letter to which they were responses was sent only to a relatively few Chambers across the nation, and did not request a reply, the replies that were received would probably be seen more properly as the tip of an iceberg.

In conclusion, the Task Force respectfully urges the Subcommittee to act favorably on H. R. 4772. Weather experts and seismologists warn us that there are many more disasters in our future, and that we must expect some of them to be even more terrible than Agnes. If we are to rise to Nature's challenges in a way worthy of our great nation, we must act to enable those of our countrymen who have the misfortune to be caught up in a disaster to recover from its effects within a reasonable amount of time.

We thank the Subcommittee for the opportunity to make this statement and we wish its members success in their deliberations.

September 24, 1973

Dear Dan:

Thanks for sending me "posthaste" the questions put to you by Congressman Widnall of the House Committee on Banking and Currency with respect to your "National Catastrophic Disaster Insurance Act of 1973".

I think your response to Mr. Widnall hits the problem right on the nailhead. I agree with you that the evidence of the multiple disasters around the country indicate that people just do not protect themselves in appropriate fashion; and the man on the mountain deludes himself that ~~he~~ he can escape participation in the loss by his remoteness from the disaster scene. He is paying for it now in the form of taxes and he could, in fact, be saving money by disaster insurance. Of course, what I state here is purely a personal point of view to you personally, ~~entirely~~ off the record, and not for quotation.

I do want to call your attention to what I think are typographical errors at page 6 of your statement. You refer to 3200 policies having been purchased in Wilkes-Barre and in the same paragraph refer to 3200 policies having been sold in Kingston. The similarity of this figure seems incredible -- is it accurate? You also refer to 17,000 people in the Borough of Kingston. I think the correct figure is around 30,000.

If this legislation reaches the point where it may require amendment because of the retroactive feature, I think people back here ought to be alerted so that they can act accordingly.

Warmest regards and many thanks to you for your continued interest in the welfare of the community.

Sincerely,

MAX ROSENN

Flood Ins.

QUESTIONS FOR CONGRESSMAN DANIEL J. FLOOD,
re: H. R. 4772, "THE NATIONAL CATASTROPHIC
DISASTER INSURANCE ACT OF 1973", FROM
CONGRESSMAN WILLIAM B. WIDNALL, AUGUST 1,
1973, HOUSE COMMITTEE ON BANKING AND
CURRENCY, HOUSING SUBCOMMITTEE.

- I We have received much testimony from the insurance industry and the Federal Insurance Administration which suggests that the private sector has provided ample market at reasonable costs against the perils of windstorm and tornado. Do you have evidence that they have not provided such a market at reasonable rates? If you do not - why have you included this coverage in the bill?

MR. FLOOD:

I would generally agree that the insurance industry has undertaken to provide this coverage and that the rates charged are reasonable. But to say this is to miss the point of my concern with regard to the windstorm peril.

My direct concern has been that tornado and related windstorms are causing enormous yearly damage to American homeowners and businessmen who are either not insured or under-insured to cover this type of natural disaster. The result of this condition has been similar to that for other perils, namely flood and earthquake. When disaster strikes and a Federal disaster declaration is made, the Small

Business Administration and Farmers Home Administration are called upon to make loans at low interest and with a sometimes substantial forgiveness to victims of the windstorm disaster. The simple fact is that the American homeowner and businessman is not availing himself of adequate windstorm insurance coverage. When disaster strikes, as usual, the Federal Government is called upon to foot the bill. And just so you know I did not merely surmise this fact, I would strongly suggest that anyone who doubts this fact should check with the Small Business Administration. The startling fact is that since the inception of the SBA disaster loan program, fully thirty percent of all SBA disaster loans have been for tornado and other windstorm perils. I use the description "fact" repeatedly for emphasis, for as many of us are well aware, there are those who would like this Committee to believe that tornado and windstorm insurance coverage is adequate and not proper for inclusion in a comprehensive disaster insurance program. I maintain, let the facts speak for themselves. Not only is the inclusion of windstorm and tornado in an all-risk bill proper, it is vital. To

exclude it would be to ignore fully one-third of the expense which the American taxpayer is now called upon to pay from general revenues for these ad hoc disaster loans.

A corollary problem is that in some areas, private windstorm coverage does not include collateral windstorm peril - that of wind-driven water. Although this is covered under the Flood Insurance Program, the problems with that Program are noted in the body of my testimony. I point this out merely to show that many individuals who may believe that they are covered from windstorm may have a rude awakening when they discover that their policy excluded wind-driven water. With statistics from the Office of Emergency Preparedness showing that tornadoes have stricken every state in the past five years with the exceptions of Alaska and Rhode Island, comprehensive disaster insurance must necessarily include windstorm and tornado perils.

- II In the flood program, which is a joint effort by government and private enterprise, the problems of flood, high waters, hurricane and tidal wave are covered adequately. Do you not agree? If you do not agree - in what respect is the program not responding to the demand?

MR. FLOOD:

I would agree that the flood insurance program provides coverage for the perils mentioned. However, it is well known that this is not the problem with the program. That problem is, as is outlined in the body of my testimony, that for a host of reasons flood insurance is not being adequately sold in this Nation. As a result, billions of dollars of uninsured losses have been suffered by American homeowners and businessmen as a result of floods and related disasters. Once again, the American taxpayer is required to bail out these uninsured losses from general revenues.

The most serious shortcoming of the Flood Insurance Program is that - given the giant strides made in bringing potential victims into the program made over the past year - people just do not avail themselves of this coverage.

Despite a massive public relations campaign, despite the lessons of Hurricane Agnes, despite all of the efforts of the Federal Government, people are not being adequately covered against flood losses. Many people cannot buy this insurance as they do not live in communities that are eligible for the sale of flood insurance - the result is direct discrimination against some property owners. The problem of coercing communities to participate in this program of Federal Flood Insurance is well known to this Committee and I do not want to dwell upon it; however, it is a most serious problem which will not go away by merely ignoring it, nor by measures which are incomplete in their efforts to coerce participation.

Furthermore, notwithstanding the onerous expense of purchasing flood insurance in the Federal program, people are generally reluctant to buy flood coverage. Remember Agnes? What better lesson was there than Agnes to prod people into purchasing flood insurance - remember, the greatest civil disaster in the history of this Republic; four billion dollars damage; you know the story all too well. Yet, and this may amaze and shock some members of

this Committee, there are only 27,000 policies in force in Pennsylvania! And if this was not enough evidence of the problem with the program, in Wilkes-Barre where there were more than thirty-five thousand flood victims only 3,200 policies have been purchased. Not to belabor the point, but the most glaring exhibit of non-participation in the Federal program is the community of Kingston, Pennsylvania. In this once thriving borough of nearly 17,000, only seventy individuals went untouched by the floodwaters from the Susquehanna River - and most who were touched were for all intents and purposes totally wiped out. Yet, due to the numerous features of the flood insurance program which inhibit participation, only 3,200 policies have been sold in Kingston one year after Agnes.

If we as responsible legislators are to avoid another call upon the taxpayers, I firmly believe the Federal disaster insurance program will have to encompass mandated participation. We have Social Security as a long standing precedent, and there are others as well. Only in this way will equity return to the Federal disaster

assistance effort; and only in this way will the risk and the cost be evenly distributed across the Nation. By using a variable surcharge formula according to the risk factor in a locality, my bill will provide maximum coverage against disaster losses at a minimum cost to the taxpayer.

III The insurance industry and the Federal Insurance Administration studies indicate that adequate markets at reasonable rates are available for residential earthquake coverage, and that public apathy is the reason for a general lack of coverage. Do you have contrary information?

MR. FLOOD:

It is true that there have been "experiments" by private insurance companies in providing such coverage; however, generally, those insurance companies that offer earthquake coverage set limits on the amount of liability they will accept in a given area. The question then becomes, if everyone who owned a dwelling in a critical earthquake area purchased earthquake coverage, could the voluntary market come up with enough coverage considering the area limitations as to liability? The answer is, of course not.

While earthquake insurance is offered by the voluntary market, it has suffered the same disappointing low sales record as has the subsidized Federal flood insurance program. The best estimates I have come up with indicate to me that the exposure to earthquake loss is in the tens of hundreds of billions of dollars, yet only approximately 3 billion in property is currently covered by earthquake insurance. Such a low level of public participation suggests that other reasons besides apathy may be causing non-participation.

If I may briefly list those reasons:

- 1) Ignorance as to the peril involved;
- 2) Complacency as to the risk;
- 3) Inability to conveniently purchase;
- 4) Failure of government to encourage participation.

Firstly, potential earthquake victims are largely ignorant of the peril and unaware of their exposure to the risk. In this respect they may be much worse off than potential flood victims - the hazard mitigation features of the flood insurance program go a long way in at least alerting the populace to the reality of the hazard in designated areas - such is apparently not the case with respect to "earthquake-prone" areas. It must of course be remembered that the

most destructive earthquake in modern American history occurred in the state of Missouri.

Secondly, many people have become complacent to the risk as a result of the infrequency of high-intensity tremors in the United States in the past fifty years. Yet many individuals in zones which have experienced earthquakes on a regular basis - even in the San Fernando Valley - still do not purchase earthquake insurance. The Committee need only examine the world wide increasing incidence of destructive earthquakes to realize that our time will also come.

Thirdly, a serious factor in non-participation in this type of insurance may be the inability of insureds to purchase this type of insurance conveniently. Earthquake insurance, in California for example, is normally written as an endorsement to the homeowners policy for fire and extended coverage. Since not all property insurance companies write earthquake insurance, or some restrict the areas or types of dwellings which are eligible, the property owner may be faced with finding a company that will sell him a policy - he is forced to "shop-around". Furthermore, insurance companies do not sell such coverage aggressively, and as a result the property

owners may be unaware that it can be purchased. To a large extent, this reluctance to sell is due to the unpredictable, singular nature of the peril itself; the risk cannot be spread easily, and the industry fears that it will not be able to build and maintain reserves adequate to meet claims resulting from a single, sizable earthquake in a populated area.

Lastly, there appears to be little institutional action to encourage property owners to purchase earthquake insurance. Lending institutions in the private sector as well as such Federal agencies as the VA and FHA do not require it as a prerequisite for home loans in hazard risk areas.

Taken as a whole, I feel this Committee can justly appreciate why more earthquake coverage is not in effect; and can further appreciate what the result will be when another disaster such as struck the San Fernando Valley hits an as yet unknown American community. Once again the taxpayer will be asked to foot the bill - without equity; without any manner of risk spreading; and without getting their money's worth to boot.

Like floods, we know that earthquakes will occur - it is only a matter of when. You know, and I know, and I know that you know, that when that time comes the Congress will once again be called upon to bail out the disaster area on an ad hoc basis to cope with the emergency. Like floods, this is another type of catastrophe that should be covered by mandated insurance.

IV Catastrophic coverage for "drought", "snowstorm", and "blizzard" have not generally been considered dwelling risk problems. They would appear to be agricultural, i.e. crop hail all risk coverages. Am I correct? If so, these coverages should not be included in this bill, because the subsidy anticipated here is for the insurance on private dwellings. Is it not true that drought insurance is covered under the Federal Crop Insurance program and some private insurere?

MR. FLOOD:

Although the perils addressed above are not generally considered dwelling risk problems, I believe there is merit in encompassing them in a comprehensive disaster insurance program of the type envisaged in the National Catastrophic Disaster Insurance Bill.

My experience with Hurricane Agnes clearly demonstrated the fragmented approach the government currently utilizes to provide disaster loans to farmers. In simplified terms, the farmer must look to several Federal Agriculture Department agencies for relief - relief which would, I maintain, be better based on an insurance formula. Many small farmers who were destroyed as a result of Agnes had no all risk insurance and suffered accordingly - as did the American taxpayer who was then called upon to bail them out.

Furthermore, many of my colleagues in the House have voiced their concern that the Federal Crop Insurance Program does not provide adequate coverage for a wide spectrum of the farming business; and, as in the case of other perils a major disaster - be it a drought, snowstorm, or blizzard - cutting across a wide area of the Nation's farms would tax existing programs far beyond the resources currently available. It is therefore in the interests of providing coverage adequate to the plight which would be experienced by the farmers, that it is included in my Bill. Because in the disaster field we have treated farmers separately - to their detriment - in the past, it should not preclude consideration of this important

group in forward thinking disaster legislation which would address perils and attendant risks more in terms of the deleterious effects on disaster victims, and less in terms of the particular calling of the unfortunate victims.

- V It would appear that disaster problems emanating from atomic accident are ones in which the government - by the unique nature of such materials use and care, custody and control and public interest - should be treated as re-insurer. In other words, shouldn't such risks be borne by all the citizens through general revenue because of its public interest rather than single out the already over-burdened homeowner?

MR. FLOOD:

At the present time, the amount of insurance available to cover those who may be involved in an atomic accident is woefully inadequate. The voluntary markets plus the Federal Price-Anderson Act limit the amount of liability for an atomic incident to \$560,000,000. We have heard various estimates of possible damage in the event of an incident as high as 7 billion dollars.

I firmly maintain that until the voluntary markets agree to provide more coverage and the amounts available

under the Price-Anderson Act are increased, then there is a real need to protect the homeowner and businessman from atomic incidents. To create a pool by charging each policy holder would be cheaper in the long run than taxing his future and his children's future following an incident.

VI Do you think it is fair to expect a citizen from a relatively disaster free area in a state to subsidize another who by choice lives in a high risk area, just because they are both homeowners?

MR. FLOOD:

I find it difficult to understand the thrust of this question in light of all of our experience with Federal assistance to disaster victims. During the June 1972 flooding, only a few states were affected. Yet the Federal Government spent billions upon billions of tax dollars collected in the 50 states for the relief of those who suffered losses. A substantial portion - the greatest proportion - of this money went into loans for homeowners, businessmen, and farmers whose losses were for the most part uninsured. For that reason, I brought my comprehensive disaster insurance program to the

House of Representatives.

The entire experience of the insurance industry is one of spreading the risks of perils to the extent that some who - thank God - will never experience the peril insured against are in effect subsidizing others who unfortunately have been exposed to the risk. In the case of major disasters all of our past experience is that this is an area in which the Nation as a whole must contribute all of its resources. Even those in charge of these Federally funded programs admit that spending tax dollars for this type of loss is the most expensive way of paying for a catastrophe. It is agreed by all who have studied the dollar cost of catastrophes that the cheapest and best way to handle this problem is mandated insurance. For that matter, even the Federal Flood Insurance Program involves a requirement for all citizens to participate and contribute to disaster losses - this to the extent that the subsidies are involved.

Furthermore, my bill contains a clause which would vary the amount of surcharge on property insurance which a homeowner or businessman carries according to the amount of risk of a disaster occurring in his area.

To those who are concerned about the "man on the mountain" as opposed to the plight of the flood victims in

valley, we must consider one very important point which has been largely ignored. No group, by choice, lives in a high-risk area, and given our current ecological and environmental expertise, there are few citizens, if any, who do not impact significantly on the environment of other citizens. Thus, the millions of acre feet of water which inundated Wyoming Valley in my District during Hurricane Agnes was not a local Wilkes-Barre problem. Most of the water fell in the foothills in New York State and was the result of tens of thousands of "men on the mountain" who in developing and paving their homesites altered the surface water runoff factor to the point where it may be now impossible for the "men in the valley" to protect themselves from ever-increasing high water levels. By varying the surcharge to the degree that a risk exists - and by spreading the risk nationwide, my proposal would introduce something to the Federal disaster assistance program which we can all see as beneficial - equity for all potential disaster victims, and that includes virtually everyone.

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

4 May 1973

TESTIMONY to the Subcommittee on Disaster Relief of the Senate Committee on
Public Works by Andrew Shaw, Jr., Executive Director

Gentlemen:

My credentials for commenting on the Federal response to Hurricane Agnes in the Wyoming Valley area are the work I have done in my position as Executive Director of the Flood Recovery Task Force, which I have held since the beginning of September, 1972, and in my position as Director of the Wilkes College Institute of Regional Affairs, which I have held since January 1972, and my twelve years of experience working for the Pennsylvania Economy League. In light of these credentials, and of my knowledge that Judge Max Rosenn will also present testimony to you based on the Flood Recovery Task Force's participation in the recovery effort, I believe that I can be most helpful to you by confining my testimony to comments on the organizational and management aspects of the Federal response to the disaster here.

First, however, I must pay tribute to the many Federal employees who came here immediately after the flood to help Wyoming Valley's stricken people. These men and women worked tirelessly under extraordinarily difficult circumstances to ease the suffering caused by the worst disaster in American history. By so doing, they earned the heartfelt gratitude of our entire community. Indeed, it is with the hope that, in the future, such dedication as these representatives of the Federal government displayed can result in improved Federal assistance to disaster victims I offer this critique.

With the aim of clarifying the recommendations that conclude my testimony, I will present my comments under three headings: Organization; Approach to Local Government; and Communications between Federal agencies, within separate Federal agencies, with local government, and with individual disaster victims.

I. ORGANIZATION

From the outset, a lack of clearly defined organizational lines within the Federal establishment made speedy, effective Federal response to pressing problems extremely difficult, or, in some instances, impossible. An example of this can be seen in the difficulties the Federal government had in tackling the problem created, early in the recovery period, by the Wyoming Valley Sanitary Authority's failure to provide the secondary treatment of sewage ordered by the Commonwealth of Pennsylvania and required by the Environmental Protection Agency. Since the Authority's failure to comply with State and Federal requirements threatened to bring all flood recovery programs to a grinding halt, presidential representative Frank Carlucci's deputy, William Connor, tried to assemble a package of Federal funds attractive enough to persuade the Authority to proceed with a program aimed at providing secondary treatment. Mr. Connor's attempt was

eventually successful, but not before a great deal of valuable time and effort was expended in finding ways to overcome the formidable obstacles represented by rigidly restrictive categorical grant requirements of the various Federal agencies participating in the attempt to break the deadlock.

Similarly, the inflexibility of the Economic Development Administration's grants to flood-affected municipalities worked at cross purposes with the grants' disaster relief aims. Strictly limited as they were, EDA's Public Works grants could create jobs only in the construction field where, due to the necessity of repairing flood-damaged homes, labor was already in painfully short supply. This reinforced competition for construction workers to the point of inflating the local wage structure. This, in turn, frustrated valiant efforts Department of Labor officials were making to grapple with the disaster-caused labor shortage.

EDA's Technical Assistance grants, too, had side-effects which either cancelled out benefits that these and other Federal grants were designed to provide, or diluted them. That EDA failed to require job qualifications for administrative positions as a condition to its grants lest it seem to interfere in local affairs, and that it specified higher wages for persons hired under its grants than was standard in the area had these unlooked for results: 1) employment by flood-affected municipalities of unqualified persons to serve as flood recovery administrators, 2) diminution of the potential of other T. A. grants - for example, efforts the Institute of Regional Affairs made to use its T. A. grant to effect long-lasting improvement in local government administration were frustrated by not having qualified flood administrators to work with, 3) again, impetus to inflation of the local wage scale.

II. APPROACH TO LOCAL GOVERNMENT

The Federal government's approach to local government reflected a serious lack of understanding of how Pennsylvania local government is organized and of the capabilities of these governments.

For example, important communications from the Federal government were directed to powerless mayors, instead of to the official or officials authorized to act on them - in Wilkes-Barre, the City Manager; in each borough, the President of Council; and in the Townships, various official committees. This resulted, in a great number of instances, in information crucial to speedy recovery action being delayed or lost in a bureaucratic shuffle.

In my opinion, much of the unfortunate tension between the Federal and State governments at various stages of the recovery program stemmed from Federal government misunderstanding of what local government is willing and able to do.

III. COMMUNICATIONS - Inter-Agency, Intra-Agency, with Local Government, and with Individual Disaster Victims

On every level, Federal communications were faulty. In the cases of a number of Federal agencies, notably SBA, HUD, and EPA, rules and regulations, formulated at a high level specifically for the purpose of answering disaster recovery needs,

did not filter down from staff to line level. The result, of course, was that local level staff was not able to respond adequately to the disaster situation.

In a multitude of instances, information released by one Federal agency was later contradicted by information released by another. And, often, Federal government press releases raised false hopes among flood victims by implying that programs still in the planning stage were actually in operation. An excellent example of this can be seen in the premature announcement that the Interim Assistance Program, theretofore available only in Wilkes-Barre, had been expanded to include all the flood-affected municipalities; actually, Interim Assistance funds didn't arrive in some of these municipalities until many weeks after the announcement.

Preoccupation on the part of some Federal agencies with nailing down credit for specific grants and activities resulted in a multitude of newspaper announcements that tended to confuse and alienate local officials and the general public. The large number of photographs that appeared in the local press showing a Federal official handing a local resident a check is a case in point. While they were in the Valley, Mr. Frank Carlucci and Mr. William Conner tried to centralize the Federal government's public relations, but they were not entirely successful, and after they left the credit-grabbing situation prevailed again.

RECOMMENDATIONS

I believe that dissatisfaction with things as they are implies an obligation to put forward suggestions for change. So, with deep respect for the hard work and good-will that went into setting up the current system of Federal disaster relief, I offer recommendations for a new system which, I believe, will make it possible for the Federal government to respond adequately to future major disasters.

A. New legislation requiring that upon declaration of a national disaster a joint House-Senate committee, made up of legislators representing states and districts outside the disaster area, make an on-site analysis of the disaster situation and establish formal communication with the affected area's congressional representatives.

B. Creation of a Cabinet-level, Federal Disaster Recovery Agency equipped with tools designed to ensure comprehensive recovery of disaster-affected areas and peoples.

1. At least two fully trained disaster recovery crews should be assigned to each of the eight regions of the United States and mobilized on a rotating basis. Upon declaration by a governor of a state of emergency, one of that region's two disaster teams would mobilize immediately and be prepared to proceed to the scene of the disaster, should the President declare it a national disaster. Once on the scene, the team should establish residence there for the duration of the recovery effort or a period not to exceed six months. In the event that the recovery period exceeds six months, the second

recovery team would be called into action. The unusual residence requirements for these teams would be recognized in their compensation.

The up-to-six months residence requirement for recovery teams would have the highly desirable effects of:

- a. ensuring that those responsible for directing the recovery effort (see line of command outlined below) would have as clear a picture as possible of what the disaster means to its victims
- b. avoiding the necessity for the time-wasting and confusion-breeding re-education of new agency staffs that was experienced in Wyoming Valley in the wake of Agnes.

2. The Chief of each recovery team should be given authority over all representatives of Federal agencies in the disaster area for the duration of the recovery period. All Federal expenditures on disaster recovery should be funded by a special Disaster Contingency Fund.

3. To qualify for comprehensive Federal disaster relief and recovery assistance, a state should be required to set up a disaster recovery program to complement the Federal government's. From this kind of disaster recovery cooperation between the Federal and State governments, the following logical sequence of response to a disaster would flow:

- a. Declaration by a governor of a state of emergency activates the local Civil Disaster Preparedness Agency (based on Civil Defense).
- b. The Civil Disaster Preparedness agency immediately assumes the responsibilities and authority of the affected area's local governments. Expenditures during this period would be met from a State Emergency Contingency Fund.
- c. If the situation is or becomes so critical that the President declares it a National Disaster, one of the region's two Federal disaster recovery teams takes over the responsibility for and authority over the affected areas from the local Civil Disaster Preparedness Agency which then becomes a part of the Federal team and takes its instructions from the Federal team's chief.

Establishment of the line-of-command described would produce the following important benefits:

- a. definitely fixed lines of authority and responsibility
- b. clearly defined lines of communication
- c. recovery planning based on the local Civil Disaster Preparedness Agency's understanding of the governmental, social, and cultural factors that characterize the affected areas.

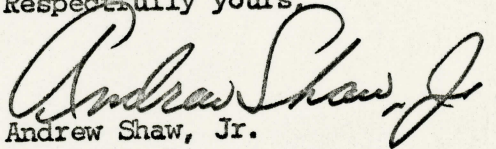
Availability of contingency monies would:

- a. enable local governments and State and Federal agencies to quickly resume their normal programs and activities
- b. reduce the potential for bickering between the State and Federal governments over financial responsibility for various aspects of the recovery effort
- c. force bureaucrats out of the "womb" of restrictive agency funding requirements and normal regulations totally unrelated to the conditions created by the disaster.

C. Creation of a National Catastrophic Disaster Insurance Program

Wyoming Valley's experience since last June has clearly demonstrated that in a major disaster situation the financial assistance the individual disaster victim now receives is woefully inadequate. It has also indicated a strong probability that if assistance to individual disaster victims were to be provided through a disaster insurance program, their physical and spiritual needs could be answered adequately at no added, or, perhaps, less cost to the Federal government. The bills proposing a National Catastrophic Disaster Insurance program that are currently before the Congress (S. 1144 and H.R. 4772) contain the framework of the kind of national disaster insurance program I advocate.

Respectfully yours,



Andrew Shaw, Jr.
Executive Director

ASJR:are

State of the Region Report continued. . .

all housing. Mobile homes, alone, now account for 92 percent of the \$15,000-and-below homes produced in this country. The factory-produced housing industry already constitutes an important factor in the economic development of Pennsylvania, especially northeastern Pennsylvania which is becoming a major setting for developing this industry (about 30 percent of all housing plants in the State are in this region). The passage of a proposed Pennsylvania Industrial Housing Code would further enhance the status of this industry.

The Appalachian Regional Commission recently set a goal of providing funds in support of the construction of 50,000 low- and moderate-income housing units per year in Appalachia through fiscal year 1975.

Government

The region's fragmentation of local government is making it difficult to cope with demands for increased quality and quantity of public services.

In 1967, almost 480 local governments (364 with taxing powers) were contained in northeastern Pennsylvania, including seven counties, 267 minor civil divisions, 91 school districts, and 115 special districts. Based on the District's 1970 population of 873,890, this implies 1,820 people per local government throughout the State.

is becoming more and more difficult for local governments to cope, financially and administratively, with the increasing demands for services. These problems are further aggravated by current trends in federal and State legislation toward requirements for higher levels of service, especially in areas of environmental protection such as water quality management and solid and liquid waste disposal.

Trend Toward Intergovernmental Cooperation

Various types of intergovernmental cooperation are proving to be successful means of providing services not formerly possible and of realizing lower unit costs without seriously inhibiting the autonomy of participating local governments. Such cooperation ranges from extremely informal mutual-aid arrangements in cases of emergency (e.g., fire or police protection) to highly structured organizations such as regional sewer authorities. Out of 267 minor civil divisions (i.e., cities, townships, and boroughs) in northeastern Pennsylvania, 210 are currently in to participate in some form of cooperation with one or more other minor divisions.

The Council of Governments (COG)—in limited use in northeastern Pennsylvania—is a rather innovative form of inter-municipal organization. The COG is a voluntary association of local municipalities which provides a forum for the exchange of ideas and for mutual problem solving, collective agreements, and coordinated planning and development efforts. The first COG in the region, the North Pocono Council of Governments, became effective in January 1972.

Planning Needed for Future Growth

Planning and zoning processes are under pressure and need much greater emphasis.

More and more municipalities are developing planning processes and tools for plan implementation. Thus, of the 267 minor civil divisions, about 25 are currently known to have subdivision regulations, and 55 are known to have zoning ordinances. A number of additional communities are currently working on such land-use control measures. Similarly, many communities are establishing code enforcement mechanisms often as joint inter-municipal efforts.

Planned unit (cluster) development (PUD), one of the newer zoning tools, is gaining in popularity in northeastern Pennsylvania.

Education & Human Resources Development

Human resources are the most important single asset for regional development. Major changes in the area of primary and secondary education during 1971 included further consolidation of school districts in some counties and the staffing of the Intermediate Unit to assist in planning and related services of school districts. New school construction, including vocational schools, was notable in parts of the region. Vocational schools are being developed in Monroe, Luzerne and Lackawanna Counties—two schools in the latter.

The Commonwealth is also involved in an innovative Educational Quality Assessment Program which can provide school administrators in our region with important data on the effectiveness of their programs. Another major area of activity concerns preschool education and care. Several day-care programs were initiated in urban areas in 1971 to further educational opportunities and to enhance family earning capabilities, by allowing mothers to seek employment. A regional system offering both child care and parent education could be developed through the cooperation of local colleges and present and future providers of child care. A consortium of local colleges offering both day care and parent education could be arranged.

Continuing Education

Manpower training programs in the region provided an opportunity for a number of people to seek better vocational opportunities in 1971. The people of our region make good advantage of continuing education programs. This region's six four-year institutions, community colleges, Penn State extensions, junior colleges, and trade schools generally experienced increased enrollment in evening and day sessions.

The Commonwealth and our region should consider innovative manpower training programs such as have been demonstrated in Texas, Arkansas, South Carolina, and other states. Such a program is organized to provide tailored-to-order training as an incentive for industry to come into a region. The region would continue to offer low-cost sites, access roads, natural resources, and tax incentives, in addition to a low-cost, ready work force for that particular industry. Existing training facilities and vocational schools could be used.

EDCNP Officers are: John B. Hibbard, President; Asa L. Day, Jr., Vice President; Dr. Eugene S. Farley, Treasurer; Stuart F. Pipher, Secretary; Howard J. Grossman, Executive Director.

Health and Services for the Aged and Disadvantaged

The continuing work of organizations such as the Health and Hospital Planning Council of Northeastern Pennsylvania (HHPC), the Wyoming Valley Hospital Planning Council, the new Maternal Health Services of Northeastern Pennsylvania, and special rural health institutions promise to improve the health services of the region. HHPC received one of 12 special grants awarded nationally during 1971 to establish an experimental health services delivery system in the region. Another 1971 innovation was the formation of the Home Health Services of Luzerne County, implementing the "hospital without walls" concept. This organization promises to provide a model for services to the bedridden and those requiring medical attention but not requiring hospitalization. Many efforts are underway to better organize existing health resources and to provide greater access to care.

The region's two Model Cities organizations and several redevelopment authorities, which have been working to revitalize dilapidated neighborhoods in our region, have also furthered social programs to alleviate problems of, and inconveniences to, the people of their areas. The passage of the Emergency Employment Act (EEA) of 1971 found the public leadership of the region responding actively to this program to provide public sector jobs for veterans and other unemployed. All seven counties received some aid through EEA to lessen unemployment in their communities. In addition to the very personal benefits derived through EEA, local units of government found a mechanism to accomplish needed work programs.

Community action programs funded by the Office of Economic Opportunity have been able to lessen the plight of our less fortunate citizenry. Education, health, consumer, housing, and education programs of these agencies offer a diversity of opportunities for low-income persons.

Choice Ahead: Change or Progress

Northeastern Pennsylvania will be full of challenges in the remainder of this century—for the 875,000 people who live here and for their institutions. Change is certain; progress depends on how we mold the forces of change. We may use the next five years to plan and prepare for developments anticipated before the year 2000.

The period 1972-76 should bring the following major developments: completion of the interstate highway system in this region and of that portion of the system through New Jersey which will directly connect it with New York, New Jersey and New England; significant decisions on development such as the Tocks Island project; major development and expansion of sewer and water systems; new second-home developments; development of Bicentennial celebration plans and possible acceleration of new programs because of the Bicentennial, especially in the area of tourism; modernization efforts in local government, especially attempts to implement provisions for home rule and optional forms of government in the new Commonwealth constitution; greater attention to transportation needs through a regional approach to transportation planning; an "educational movement" to establish new courses and curriculum to meet local industry's needs and to provide a base for research and development capabilities.

Skiing Adds \$11 Million to N.E. Pennsylvania's Economy

EDCNP's fifth annual ski survey, "The Economic Impact of the Skiing Industry in Northeastern Pennsylvania, 1970-71 Season," shows that skiing continues to exercise a major influence on the rise of recreation/tourism as a leading growth industry.

The survey documents these significant facts:

- The economic impact of skiing during 1970-71 was in excess of \$11 million.

- Most Northeastern Pennsylvania skiers are young marrieds with above-average incomes.

- A majority of the skiers—almost 90 percent—come from outside northeastern Pennsylvania.

- Patronage totaled 437,800 persons, off somewhat from the record high of the previous year, but 15 percent above 1966-67.

- Average daily expenditure per skier was \$24.94 in 1970-71, compared to \$19.86 in 1966-67.

- \$33 million of gross receipts were recorded by the 11 ski area operators, a gain of 7 percent over the 1969-70 season, and 83 percent over 1966-67.

- The 11 major ski areas in northeastern Pennsylvania (a 12th is under construction) offer a variety of facilities for novice, intermediate and expert skiing.

- The maximum number of skiers that could be accommodated in a given hour (i.e., lift capacity) amounted to 30,150, up from 21,300 in 1966-67.

The skiing industry in northeastern Pennsylvania has been undergoing rapid expansion, the report notes: thirty-eight T-bars, J-bars, rope tows, pomas, double chairs and triple chairs, and snow-making capabilities were reported to be in operation.

Where do the skiers come from? The Council survey lists the geographic origin as follows: Pennsylvania, 57 percent; New Jersey, 24 percent; New York, 8 percent; Baltimore/Washington, D. C., 7 percent; other, 4 percent.

While the area serves as more of an attraction to beginning and intermediate skiers because of the nature of the region's facilities, the survey results suggest they also attract a number of experienced veterans.

Regional ski areas were open for an average of 84.6 operating days during the 1970-71 season—compared with 89.5 days in 1969-70 and 87.5 days in 1968-69. But some of the larger areas had as high as 110 days of virtually uninterrupted skiing this past season, and it was mainly the presence of several weekend-only operations that lowered the regional average substantially.

Each of the three largest ski areas reported receipts in excess of \$600,000, up 10 percent from their previous season total. The other regional ski areas experienced an average drop in gross receipts of almost 4 percent; in some cases, (i.e., mostly small resorts) the decline was substantial.

Tourist promotion agencies have made fine efforts in making northeastern Pennsylvania a major ski center. The seven regional tourist agencies listed in the report included: the Carbon County Tourist Promotion Agency, Scranton Chamber of Commerce, Luzerne County Tourist Promotion Agency, Lake Wallenpaupack Association, Pocono Mountains Vacation Bureau, Schuylkill County Tourist Promotion Agency, and Hawley/Lake Wallenpaupack Chamber of Commerce.

Concluding its report, the Council survey termed the outlook for the ski industry "promising," and put special emphasis on the fact that total gross receipts set a new record last season. It also noted that a census of skiers responding to a Council questionnaire showed most of them enjoy above-average incomes, with 16 percent in the \$7,500 - 10,000 class, 25 percent in the \$10,000 - 15,000 class, 13 percent in the \$15,000 - 20,000 bracket, 13 percent in the \$20,000 - 25,000 earnings range and 20 percent in the \$25,000 or more class. The remaining 13 percent had incomes of up to \$7,500.

Higher Education Committee Names Task Force

The Advisory Committee for Higher Education appointed a Task Force on Science and Technology for northeastern Pennsylvania. The Task Force will participate in federal and State efforts in the next several years to transfer and apply advanced technology to solve social and economic problems.

Members of the Task Force are: Dr. John E. Walsh, Chairman of Task Force; Mr. Abram Bernstein; Mr. George W. Bierly; Mr. David F. Fortney; Mr. Malcolm Gowin; Rev. George Harris; Dr. John F. Lawlis; Sister Patricia Anne Matthews; Mr. Robert MacGregor; Mr. James J. McBrearty; Dr. Eugene A. McGinnis; Dr. Fergus T. Monahan; Dr. Byron E. Myers; Mr. John R. O'Hara; Mr. Donald A. Pahls; Mr. Charles Sectish; Mr. Robert A. Smith; Dr. Eugene Stish; Dr. James Toole; Mr. William R. Toye; Mr. Charles G. Zink, Jr.

The Task Force, comprised of leaders drawn from both academic and industrial circles, is identifying categories of regional needs which a regional research and development center could implement. Action must be taken to: conserve and utilize land; find uses for consumer and industrial waste; reduce costs and improve health systems and

delivery of services and implement the Occupational Health and Safety Act of 1970; modernize government; develop human resources; and coordinate education programs with employment opportunities.

As a further means of tying in the overall goals and objectives of the Commonwealth's Office of State Planning and Development, the U.S. Office of Science and Technology and EDCNP's Higher Education Advisory Committee, the Task Force proposed a regional research and development center. In response to the needs listed above, six specific functions of the center were outlined: to conduct a public land and resources inventory; to monitor potentially useful State and federal projects in the region; to initiate and recommend new programs of possible value to the area (e.g., new industries, forest resources management, health services, etc.); to disseminate information on technological breakthroughs; to recommend ways to apply high and practical technology to investment and maximize economic and social spin-offs through better delivery systems; to bind together the talent of both industry and colleges to act on regional needs.

Census Bureau Recognizes DATAP as Summary Tape Center

Robert B. Voight, Director of Data User Services, Bureau of the Census, has announced that the Data Access and Technical Assistance Program—a cooperative program of the Economic Development Council of Northeastern Pennsylvania, King's College, and other area organizations—has been designated by the Bureau as a Summary Tape Processing Center. The activities of DATAP, as described in the Bureau's public listing of centers, will include tape copying, the preparation of data printouts and "social indicators," and correlation, regression and other statistical work involving first through fifth count data for the State of Pennsylvania.

The census computer tapes which DATAP has available or on order will also allow a greater number of data items per geographic area (e.g., ten times as much data per urban block as in printed reports), finer geographic breakdowns for data items (blocks, tracts, etc.) and earlier information release than would be possible in the published reports.

At a recent meeting of the Technical Advisory Committee of DATAP, Robert Yowell of the Lycoming County Planning Commission was elected chairman for the coming

year. Gregory Bielawski of the Hazleton Chamber of Commerce was elected vice-chairman. A representative of EDCNP will serve as secretary-treasurer.

In addition to the Economic Development Council of Northeastern Pennsylvania and King's College, the agencies currently holding membership in DATAP are: Associated Planning and Development Services, Inc.; Commission on Economic Opportunity; Hazleton Chamber of Commerce; Lackawanna County Regional Planning Commission; Lycoming County Planning Commission; North Central Pennsylvania Economic Development District; Scranton Model Cities; Third National Bank of Scranton; Valuation Inc.; Welfare Planning Council of Lackawanna County; the Welfare Planning Council of Wyoming Valley; the Health and Hospital Planning Council of Northeastern Pennsylvania; the Wilkes-Barre City Planning Commission; and the Luzerne County Planning Commission.

EDCNP is now working to obtain funds from the Appalachian Regional Commission which would enable DATAP to develop general purpose computer programs.

EDCNP Evaluates Planned Highway Projects

As part of the Pennsylvania Department of Transportation's attempt to scale down the Commonwealth's Six-Year Highway Capital Improvement Program to a level that can be funded, EDCNP, in response to a request made by Mr. Jack Kinstlinger, PennDOT Deputy Secretary for Planning and Programming, has undertaken a review of regional highway improvement plans. EDCNP and other similar agencies across the State were given the opportunity to identify priorities among projects currently on the Program and, if deemed desirable, to substitute more urgent projects for projects which are included in the current Six-Year Transportation Capital Improvement Program.

EDCNP, together with the planning directors of the Council's seven constituent counties, established a list of regional highway improvement priorities. The constituent counties are Lackawanna, Luzerne, Pike and Wayne Counties in PennDOT District 4; and Carbon, Monroe and Schuylkill Counties in PennDOT District 5.

In determining priorities, major considerations included maximizing of accessibility to highways for: the greatest amount of land area, the greatest number of people, and the greatest number of economic growth centers in the region.

Efforts were made to view each proposed highway project in relation to overall needs within the regional system. In addition to the imminent completion of the interstate system and the other high priority projects included in the capital budget, the following nine priority areas were selected from over 230 projects, as being necessary to the needs of the region:

Primary Priorities—Counties Involved and Routes

Monroe, Pike: Rt. 209 between I-80 and I-84 as a four-lane limited access highway;

Schuylkill: Rt. 209 between Pottsville and Tamaqua including the Tamaqua 209 and 309 By-passes;

Luzerne: The Cross-Valley Expressway, Sections 1, 2, and 3;

Lackawanna: The Lackawanna Parkway;

Carbon: Rt. 209 Improvements in Carbon County.

Secondary Priorities

Luzerne, Schuylkill: All of Route 309 improvements, especially those around Hazleton, Wilkes-Barre, Mountaintop and Tamaqua;

Luzerne: The Wilkes-Barre Distributor from the Cross-Valley Express to LR 786;

Lackawanna: Keyser Avenue four-lane improvement;

Schuylkill: Route 61 improvements, especially the St. Clair and Shenandoah By-passes.

The Pennsylvania Legislature authorized a one-half billion dollar capital budget for highway improvements in the State with an allocation of \$14,113,000 to the seven county region of northeastern Pennsylvania.

The following represents a regional summary by county of projects and their respective costs. Total appropriations for each county are also listed.

Summary of Highway Projects on 1971-72 Capital Budget for Northeastern Pennsylvania

CARBON COUNTY — 0

LACKAWANNA COUNTY — \$3,626,000:

Interstate System (Interstates 81, 81E, 84) \$2,711,000; Route 11 relocation, Scranton \$114,000; TOPICS, Scranton \$254,000; Lackawanna Avenue — Dundaff Street Intersection, Olyphant \$247,000; Harrison Avenue Bridge, Scranton \$300,000;

LUZERNE COUNTY — \$5,137,000:

Interstate System (Interstates 80, 81) \$339,000; Route 115, from Interstate 81 to Turnpike interchange \$2,600,000; TOPICS, Wilkes-Barre \$267,000; L.R. 653 Bridge, Conyngham \$106,000; North Street Bridge, Wilkes-Barre \$1,825,000;

MONROE COUNTY — \$1,261,000:

Interstate System (Interstate 80) \$478,000; Route 209 Bridges, Polk Township \$355,000; L. R. 45002 bridges, near Kunkletown \$428,000.

PIKE COUNTY — \$2,000,000:

Route 209, Tocks Island Reservoir Project, \$2,000,000.

SCHUYLKILL COUNTY — \$1,410,000:

Interstate System (Interstate 81) \$168,000; Schuylkill Haven By-pass (Route 61), \$600,000; St. Clair By-pass (Route 61) \$361,000; Route 61 improvements, South of Deerlake, \$281,000.

WAYNE COUNTY — \$679,000:

Interstate System (Interstate 84) \$620,000; L.R. 63029 Bridge, Honesdale \$59,000.

Total Interstate System — \$4,316,000

Other Road System — \$9,797,000

TOTAL — \$14,113,000

Council Sparks Interest in Two Environmental Programs

One of the goals identified in the Council's Overall Economic Development Program is that of "fostering individual and community actions which will improve the region's physical environment." Two possible programs which EDCNP has taken a lead in are: the formation of a Resource Conservation and Development Program (R.C.&D.) and the establishment of a Northeastern Pennsylvania Conservancy. The essence of each program is outlined below.

R.C.&D.

An R.C.&D. program is a multi-county approach to speeding up resource conservation and development and thereby improving economic opportunities in rural areas. Projects in an R.C.&D. program are usually sponsored by the U.S. Department of Agriculture's Soil Conservation Service under provisions of the Food and Agriculture Act of 1962 and other authorizations. Major advantages are that for approved project areas, earmarked federal funds are made available to hire a full-time project director and to help implement priority resource conservation and development projects (e.g., watershed and flood control protection, sediment control and forest productivity improvement).

CONSERVANCY

Another means of environmental betterment that the Council has proposed is the establishment of a private, non-profit conservancy. A conservancy has the following major goals:

- the preservation or management of unique scenic, geologic, historical, or recreational areas of importance;
- the preservation of landmarks and architecturally significant structures;
- the establishment of nature preserves for scientific, educational or aesthetic purposes; and; in general,
- the creation or maintenance of an environment suitable for human habitation.

Discussions and special meetings on both ideas have been underway for several months. By-laws for a conservancy are being written and other organizational steps are being taken. Progress in the R.C.&D. program hinges on the desires of the county soil and water conservation districts in the seven counties, the approval of county commissioners, and State and federal agencies. Those interested in either program should contact EDCNP.

EDCNP

DISTRICT FOCUS

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