

Steering Committee Meeting Minutes 1972

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7. Comm. on governmental reorganization, Home Rule, Council of governments, consolidation etc. (Kiley)

- 1) Highway & Transportation - Schetter
- 2) Education - Michelle & John Kibben
- 3) Land Govt - Joe Zuni
- 4) Legislation & Financial aid - Kiley
- 5) Labor & Construction - Fortine
- 6) Contractors assist & Consumer Protection - Belf
- 7) Flood Control - Ray Morgan
- 8) Planning & Development
- 9) Statistics -
- 10)

1960 Today Thursday
10:00 AM ABC

Natl Environment
air

EDA -

825-6811
ext. 505

Walter (215) 597-2312
Grubbs - EDA.

This community may be better off in a free from debt
We agree

News Conference - taping 8/16/72 - 4 P.M.
air date - 8/20/72

Subject - Flood Recovery Task Force Inc.

Chairman - Judge Max Rosenn -

Guests - Judge Rosenn, Tom Kiley, chairman of the board,
First Nat'l. Bank of Eastern Pa., Edw. Shechter,
Pres. of Stressteel Corp.

Questions - How did ~~Task Force~~ come into being?
What are its objectives?
What are its present and future projects?
What committees are now functioning?

Committees & Chairmen, (where to direct questions)

1. Comm. on Housing - (OEP & HUD) (Rosenn)
2. Comm. on Labor and Construction - ()
3. Comm. on Financial aid - (Kiley)
4. Comm. on transportation - Hiways, cross-valley
expressway, N. St. bridge,
etc. (Shechter)
5. Comm. on Future Flood Control - ()
6. Comm. on Education & Libraries - Francis Michellini, Pres.
of Wilkes College
- Rev. Lone Kilburn, S.J.,
Pres. of King's College
(Rosenn)

GULF COAST CITIZENS

1. The Honorable D. L. Connor
Mayor of Ocean Springs
City Hall
Ocean Springs, Mississippi 39564
- * 2. The Honorable Daniel Guice
Mayor of Biloxi
City Hall
Biloxi, Mississippi 39533
3. The Honorable Phillip Shaw
Mayor of Gulfport
City Hall
Gulfport, Mississippi 39501
4. The Honorable Wm. D. G. Skellie
Mayor of Long Beach
City Hall
Long Beach, Mississippi 39560
- * 5. The Honorable Warren Carver
Mayor of Bay St. Louis
City Hall
Bay St. Louis, Mississippi 39571
6. Mr. Ernest Melvin
President of Harrison County Board of Supervisors
613 E. Howard Avenue
Biloxi, Mississippi 39533
7. Mr. Pat Byrd
President of Biloxi Chamber of Commerce
131 Iberville Drive
Biloxi, Mississippi 39533
- * 8. Mr. Leo Crapo
Merchiston-Hall Galleries
914 W. Howard Avenue
Biloxi, Mississippi 39533
- * 9. Mr. Matt Lyons
Director of Biloxi Housing Authority
P. O. Box 447
Biloxi, Mississippi 39533
- * 10. Mr. Jack Thompson
President
Stewart-Sneed-Hewes, Inc. (Insurance)
1415 25th Avenue
Gulfport, Mississippi 39501

- * 11. Mr. Tommy Munro
Munro Oil & Paint Company (Vice President & Secretary)
333 Caillavet
Biloxi, Mississippi 39533
- 12. Mr. Paul J. Hermetz
Manager - Gayfer's Department Store
Edgewater Shopping Center
Biloxi, Mississippi 39533
- 13. Miss Mary Jo Sternberg
Purple Lantern Gifts
1217 25th Avenue
Gulfport, Mississippi 39501
- 14. Mr. Richard Kmetz
Manager - Penney's Department Store
402 W. Howard Avenue
Biloxi, Mississippi 39533
- 15. Mr. Frank Cifaldi
Manager - Sears
Edgewater Shopping Center
Biloxi, Mississippi 39533
- 16. Mr. Don Jacobs
Eight Flags & Marine Life
DeBuys Road
Biloxi, Mississippi 39531
- 17. Mr. Robert Baricev
Baricev's Seafood Harbor Restaurant
633 Central Beach Blvd.
Biloxi, Mississippi 39533
- 18. Mr. Ray Butterfield
General Manager - WLOX TV
DeBuys Road
Biloxi, Mississippi 39531
- 19. Mr. Jack Stanford
President of Mississippi Coast Innkeepers Association
Manager - Broadwater Beach Hotel
West Beach
Biloxi, Mississippi 39533
- 20. Col. Richard J. White
Keesler Air Force Base
Biloxi, Mississippi 39533

21. Mr. Walter Fountain
Secretary & General Manager
Biloxi Chamber of Commerce
1036 Fred Haise Blvd.
Biloxi, Mississippi 39533
22. Mr. Wayne Oakes
Executive Director
Gulfport Chamber of Commerce
P. O. Drawer FF
Gulfport, Mississippi 39501
23. Mr. Johnny Bearden
Executive Director
United Fund for Harrison County
P. O. Box 1172
Gulfport, Mississippi 39501
24. Mr. Franklin Kyle
District Commercial Manager
South Central Bell
W. Beach
Biloxi, Mississippi 39531
25. Mr. Jim Allen
News Director
WLOX TV Station
DeBuys Road
Biloxi, Mississippi 39531
26. Mr. Hank Klibanoff
Staff Writer
The Daily Herald
P. O. Box 4567
Biloxi, Mississippi 39531
- * 27. Mr. Roland Weeks, Jr.
President & General Manager
The Daily Herald
P. O. Box 4567
Biloxi, Mississippi 39531
- * 28. Mr. Robert McHugh
Editor
The Daily Herald
P. O. Box 4567
Biloxi, Mississippi 39531
- * 29. Mr. Donald E. Sutter
Executive Vice President
Hancock Bank
2500 14th Street
Gulfport, Mississippi 39501

30. Mr. Dee Hamilton
Vice President
Hancock Bank
2500 14th Street
Gulfport, Mississippi 39501
31. Mr. Cyril Washer
Personnel Director
The Daily Herald
P. O. Box 4567
Biloxi, Mississippi 39531
32. Mrs. Julia Guice
Civil Defense Director for Biloxi
Pat Harrison Avenue
Biloxi, Mississippi 39533
33. Mr. Wade Guice
Civil Defense Director for Harrison County
2315 17th Street
Gulfport, Mississippi 39501
34. Mr. Perry Wingo
Executive Director
Harrison County Development Commission
Hancock Bank Building
Gulfport, Mississippi 39501

* Members of the group that visited Wilkes-Barre, Pa.

FLOOD RECOVERY TASK FORCE, INC.

~~NOTES~~ 165 South Franklin Street
WILKES-BARRE, PENNSYLVANIA 18701
717 - 829-1981

MINUTES - FRTF Steering Committee Meeting
December 19, 1973
Headquarters, Chamber of Commerce

PRESENT - Roger Rubin (Direction Associates); Charles Hardwick, Thomas Kiley, Roman Rubinstein, Edward Schechter, Betty Schechter, Andrew Shaw, Jr.

Copies of a report by Direction Associates to the Task Force entitled An Action Program for Housing Development in Wyoming Valley; Phase 1 - Financing for New Housing Construction were distributed to those present. The report treats both Federal and State subsidized housing programs and Federal non-subsidized housing programs. Appendices show 1) an example of the financial estimates required under the Pennsylvania HFA's direct loan program; 2) detailed descriptions of Federal non-subsidized financing devices; and 3) Sections 235 and 236 and Public Housing income limits.

Hardwick said that he sees a critical need for a clear definition of the Valley's housing needs. He also said that it would be very helpful if a way could be found to keep accurate track of what housing development has been started, what development is contemplate, and who is involved in existing and planned development.

In reply, Rubin said that the next phase of the work his firm is doing for the Task Force will define the region's housing needs, but that, as matters now stand, there is no central source of information on housing development in the Valley. He expressed the opinion that there should be a central housing agency that would include keeping an up to date list of housing projects among its responsibilities, that the FRTF should support such an agency, and that, since the Housing Development Corporation aims to perform the functions of a central housing agency, it would be well if the FRTF would support HDC.

A discussion of HDC ensued. Hardwick, President of the newly formed HDC, told the group how the agency had come into being, and said that it is funded, chiefly, by Pennsylvania's Department of Community Affairs, the local United Way (money originally set aside for CEO), and the Economic Development Council of Northeastern Pennsylvania. He added that a prospectus showing plans for a large agency staff has been scrapped and that present plans call for a five man staff.

Kiley expressed the opinion that HDC should make it its business to work with housing developers and coordinate their efforts.

Schechter suggested that the Task Force would do well to reconsider its objectives regarding local housing problems, and decide whether its goal should be merely to oversee the work on housing it contracted for with consultants, or should also be to find ways to ensure that the work programs the consultants come up with are fully implemented.

Next, how and to whom Direction Associates' reports should be distributed was discussed. It was agreed that, as soon as possible, the report should be sent to: members of the FRTF Executive Committee; appropriate Federal, State, and Local agencies; and all financial institutions doing mortgage work. It was also agreed that a letter outlining the varieties of housing information Direction Associates will have developed for the Task Force by the time it has fulfilled its contract should be sent to a broad list of all licensed real estate agencies. It was also agreed that in this letter the Task Force should offer to send the reports to anyone who requests them for a nominal fee, (between \$2 and \$5) to cover the costs of handling.

Minutes of Steering Committee Meeting, March 9, 1973, noon, Hotel Sterling

Present: Charles Hardwick, Roman Rubinstein, Edward Schechter, Andrew Sordoni; Betty Schechter, Andrew Shaw

FRTF Support for House and Senate bills proposing National Catastrophic Insurance

Schechter moved that the FRTF authorize expenditure of up to \$5,000 in support of these bills. Rubinstein seconded the motion, and all present voted in its favor.

It was agreed that:

- 1) the FRTF should cooperate with the FVAC on this particular issue
- 2) Congressman Flood should be asked his opinion on whether or not a second trip to Washington by flood victims would be useful. His reply will determine whether or not the FRTF will pay part of the expenses the FVAC will incur on the trip it plans to make to Washington at the time of hearings on these bills.

Wilbur Smith proposals

A. Urban Renewal and Redevelopment

It was agreed that since the redevelopment authorities are employing competent consultants and ultimate decisions on these matters rest with local officials, the Task Force cannot expect to be effective in this area. It was decided that the FRTF will not accept the Wilbur Smith proposals relating to renewal and redevelopment.

B. Local Government

It was agreed that much the same fact-gathering effort proposed in this area by Wilbur Smith will be made by PEL in the course of the study on local government it will be making for the Department of Community Affairs. It was decided, therefore, to ask Wilbur Smith the following question:

"How, on the basis of information to be supplied by the Pennsylvania Economy League, and, if elected, by an Act 62 government study commission, can local municipalities work together effectively, inside and outside of the structure of local governments?"

It was also agreed that, in querying Wilbur Smith, it should be emphasized that what the FRTF wants is not either additional analyses or advice on what to do, but advice on how it can benefit the flood-affected areas within the political, economic, and social constraints peculiar to this area.

Other Matters

Schechter pointed out that the state legislature has been postponing acting on the '72-'73 highway budget since May '72, and that unless it acts on it soon, state monies budgeted for highways won't be spent on them. Sordoni said that he would arrange a meeting between Schechter, House Majority Leader Ken Lee, and himself.

Notes:

- A. The Catastrophic Insurance Bills before Congress are:
1. HR-4772 introduced on February 23, 1973 by Congressman Dan Flood.
 2. S. 114 introduced on March 8, 1973 by Senators Humphrey, Schweiker and Scott.
- The two bills are identical.
- B. A phone conversation with Richard Altman, Congressman Flood's legislative assistant, brought out:
- a) the Flood bill has 28 co-sponsors, and, according to Altman, more and more Congressmen are showing interest in the bill all the time.
 - b) Altman thinks the FVAC's first Washington trip was very useful in consolidating opinion in support of catastrophic insurance, and he believes that if properly timed, another visit by flood victims would be equally useful.
 - c) Altman thinks a catastrophic insurance bill can be passed.

13 March 1973

MEMO TO: Andrew Sordoni, Max Rosenn, Tom Kiley, Harold Rose, Ed Schechter, Roman Rubinstein, Charles Hardwick, George Sailus, Joe Quinn, Tom Doty, Andrew Lawrence, Mrs. Robert Casselberry, Mrs. Thomas Ambrose, Mrs. John Dahne, Mrs. Gottfried Csala, Mrs. John Vinck, Mrs. Ernest Patella, Mrs. Burton Benovitz, Andrew Shaw, Betty Schechter

FROM: Gwyneth Hughes

IMPORTANT MEETING: Monday, March 19th; 7:30 p.m.; Hotel Sterling

Firm decisions will be made about candidates for study commissioners. We need your help in making these decisions.

Please let Mrs. Alice Ellman know by Friday, March 16th if you can or cannot attend. Phone 829-1981.

are

*Flood Recov.
on Highway*

Cross Valley Expressway

Federal Regulations on Use of Parklands
In Highway Construction

FACTS: The proposed cross-valley expressway, to be partially financed by federal funds, will cut through (1) a small park, now used primarily for parking cars; and (2) a municipal golf course.

QUESTIONS: What Federal requirements interfere with construction of the highway through such property? How can these requirements be met, avoided or waived?

DISCUSSION: Although the National Environment Policy Act contains general provisions requiring that the environmental impact of any Federal project be studied, 42 USC §§4332-33, more immediately relevant to the problem here are two provisions in the Federal-Aid Highway and Dep't. of Transportation Acts. Both provide that the Secretary of Transportation:

shall not approve any program or project which requires the use of publicly owned land from a public park, recreation area, or wildlife and waterfowl refuge of national, State, or local significance as determined by the Federal, State or local officials having jurisdiction thereof...unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational area... (23 USC §138 and 49 USC § 1653f)

The Supreme Court has interpreted these provisions strictly,

indicating that a balancing of competing interests was not to be used in determining whether parkland could be condemned for road-building:

Congress did not intend that cost and disruption of the community were to be ignored by the Secretary. But the very existence of the statutes indicates that protection of parkland was to be given paramount importance. The few green havens that are public parks were not to be lost unless there were truly unusual factors present in a particular case or the cost or disruption resulting from alternative routes reached extraordinary magnitudes. (Citizens to Preserve Overton Park v. Volpe, 401 U.S. 402, 412-13 (1970)).

Or, as Justice Black said in concurring:

That Act was obviously passed to protect our public parks from forays by road builders except in the most extraordinary and imperative circumstances. (401 U.S. at 422)

No cases were found in a quick check of cases citing these statutes which defined "public park" or "recreation area." However, several cases dealt with the provision in the statute that these be lands of "local significance as determined by the Federal, State, or local officials having jurisdiction." In Pennsylvania Environmental Council, Inc. v. Bartlett, 454 F.2d 613 (1971 3d Cir.), the Court said Federal officials can rely on local officials' pronouncements to determine whether the publicly owned lands are or are not public parks or recreation areas. In that case the Pennsylvania Deputy Attorney General declared that land owned by the Dep't. of Forests and Waters was

not recreation land. The Court accepted this characterization. (454 F.2d at 622-23)

Local determination of the significance of parkland ~~is~~ was also discussed in Harrisburg Coalition Against Ruining the Environment v. Volpe, 330 F. Supp. 918, 929 (M.D. Pa. 1971). The Court said a finding of significance, either affirmative or negative, should be made by the local body; but, that the finding is not binding on the Secretary of Transportation. The Court warned that if a local finding of significance was always required to be affirmative, ~~and~~ a local body could sanction taking of park ~~property~~ property at any time. Nonetheless, the Court limited the Secretary's review "to the same narrow standards of review ^[as] prescribed ^{For} ~~by the~~ Courts by the Supreme Court ~~in~~ Overton Park." In this case, the park which was to be crossed by I-81 was largely unused. Thus, its language about local determinations about the significance of certain parkland seems quite relevant to the Cross Valley Expressway.

CONCLUSION: It would seem that the local bodies overseeing the small park and municipal golf course which are to be crossed by the Cross Valley Expressway should make findings that the particular parcels to be affected are not significant. These findings should be forwarded to the Dept. of Transportation. It should

be argued to the Department that loss of this parkland would not be detrimental to local recreational needs. Thus, the Secretary could find that the Federal statutes do not apply and thus the highway can be built. If the Secretary does ~~not~~ find that the statute~~s~~ applies, then it would be necessary for him to find that there is no prudent and feasible alternative route.

FLOOD RECOVERY TASK FORCE, INC.

July Financial Statement

Checks Issued

<u>Date</u>	<u>#</u>	<u>Issued to:</u>	<u>Amount</u>
7/5/73	235	* Andrew Shaw, Jr.	\$ 369.61
5	236	* Betty Schechter	271.47
5	237	* Alice E. Ellman	203.01
5	238	Pennsylvania UC Fund	41.66
5	239	Graphic Arts Services	7.97
5	240	Bell of Pennsylvania	98.48
6	241	Mozip Sign Service	185.50
6	242	Wilkes-Barre Recreation Board	445.00
6	243	Roy E. Morgan	50.00
20	244	* Andrew Shaw, Jr.	369.61
20	245	* Betty Schechter	271.47
20	246	* Alice E. Ellman	203.01
20	247	Llewellyn Bros., Inc.	26.75
20	248	Unified Office Equipment, Inc.	30.00
20	249	Deemer & Company	4.28
	250	VOID	
31	251	Wilkes College Alumni Office	35.00
31	252	First National Bank	542.68
31	253	Engel Enterprises	185.00
31	254	Robert Capin	50.00
31	255	Thomas Moran	300.00
31	256	** Andrew Shaw, Jr.	107.75
31	257	** Betty Schechter	18.05
31	258	Howell & Jones, Inc.	78.00
31	259	Payne Printery, Inc.	397.00
31	260	Golden Business Machines	52.30
31	261	Llewellyn Bros., Inc.	38.96
31	262	Xerox Corporation	103.74
31	263	First National Bank - Travel Dept.	56.64
		TOTAL	\$4,542.94

Deposits

7/20/73	\$7,000.00 from EDA Grant
7/31/73	<u>164.24</u> reimbursement from Siekman & Stone Advertising Agency
	\$7,164.24

Balance as of 7/31/73 - \$13,221.41

** Reimbursement of monthly expenses
* Payroll

FLOOD RECOVERY TASK FORCE, INC.

HOTEL STERLING

WILKES-BARRE, PENNSYLVANIA 18701

717 - 829-1981

12 May 1973

MEMO TO: FRTF Steering Committee

FROM: FRTF Staff

RE: Status of Rep. Flood-sponsored NATIONAL CATASTROPHIC DISASTER INSURANCE
ACT OF 1973 - H. R. 4772

Although Representative Flood's office reports him optimistic about his bill's chances for passage into law, the whole issue of disaster insurance is now clouded as a result of recent developments.

1. Introduction by Mr. Wright Patman, Chairman of the House Banking and Currency Committee (which is considering Rep. Flood's H. R. 4772) together with Mr. Barrett and Mr. Widnall (ranking Republican on the Committee) of:

A BILL to expand the national flood insurance program by substantially increasing limits of coverage and total amount of insurance authorized to be outstanding and by requiring known flood-prone communities to participate in the program, and for other purposes. (H. R. 6524)

2. Administration proposals for a FEDERAL DISASTER PREPAREDNESS AND ASSISTANCE ACT OF 1973 - In essence this act proposes:
 - a. incentives for purchase of insurance against disaster losses and for disaster prevention and mitigation measures in the form of Treasury rate interest loans with no forgiveness features
 - b. major shift of disaster relief management and funding responsibilities from the Federal Government to the States

(A more detailed outline of the philosophy, objectives, and specific proposals of the Administration's proposals are attached.)

(Also attached are a letter from insurance expert, Eugene M. Thoré, responding to a request from Andrew Shaw for his comments on Congressman Flood's H. R. 4772, and a relevant extract from the "Washington Insurance Newsletter")

To this date, the FRTF staff has implemented the Executive Committee's authorization of FRTF support for H. R. 4772 by an intensive letter writing campaign to those Chambers of Commerce serving legislative districts represented by the members of the House Banking and Currency Committee. These letters, requesting addressees to urge their representatives to support this bill, were signed by the Wilkes-Barre Chamber of Commerce President Edward Boltz. Approximately six replies were received indicating either that the desired action has been taken or will be taken.

A similar letter writing campaign aimed at the Chambers of Commerce in states whose Senators sit on the Senate Subcommittee on House and Urban Affairs has been started.

Similar campaigns aimed at alumni of Wilkes, King's, and Wyoming Seminary who live in states represented on the Senate Subcommittee on Housing and Urban Affairs, have been approved by Dr. Michelini, Father Kilburn, and Dr. Stettler. FRTF Staff has delayed finishing the campaign to Chambers represented on the Senate Subcommittee and starting those to alumni of local educational institutions in the hope of being able soon to make a clear comparison between Representative Flood's and the Administration's proposals on disaster relief. Doing this, however, is difficult in light of a lack of clear relation between the Administration's proposals for expanded flood insurance and its proposals for a new approach to disaster preparedness and assistance.

Estimated Costs to Flood Recovery Task Force, Inc. of Consultant Services in
Three Project Areas Outlined in April 24, 1973 letter to Peat, Marwick, Mitchell
& Company, Development Research Associates, The Jacobs Company, Inc., Wilbur
Smith & Associates, Candeb, Fleissig & Associates, and Direction Associates

HOUSING

1. Wilbur Smith & Associates
 - A. Market Feasibility \$22,000
 - B. Housing Considerations 13,700

35,700
2. Candeb, Fleissig & Associates

30-45,000
3. Direction Associates

81,750
4. Peat, Marwick, Mitchell & Company
 - A. Market Analysis 15-20,000
 - B. Financing Sources 20-25,000

35-45,000

PUBLIC OPINION SURVEY

1. Wilbur Smith & Associates
 - A. Local Voter Survey 19,300
 - B. Housing Questions 2,600
 - C. Alternative Governmental Forms 23,200
 - D. Information Program 6,700

51,800
2. Candeb, Fleissig & Associates

35-45,000
3. Direction Associates
 - A. Survey Design 2,500
 - B. Conduct of Survey 12,000
 - C. Data Processing and Analysis of Results 6,000

20,000

AREA APPEARANCE AND IMAGE

1. Wilbur Smith & Associates

43,000
2. Candeb, Fleissig & Associates

30-60,000
3. Direction Associates

59,750

Recommendations submitted to Senate Subcommittee on Disaster Relief by
Judge Max Rosenn

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.

EUGENE M. THORÉ

ATTORNEY AT LAW

1701 K STREET, N. W.

WASHINGTON, D. C. 20006

TELEPHONE
202-783-0960

May 17, 1973

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

Re: H.R. 4772, Congressman Flood

Dear Mr. Shaw:

I apologize for the delay in answering your letter of March 21. About the time I developed adequate information regarding your inquiry, I was forced into the hospital for an operation. This is my first day back.

In a nutshell, the three principal insurance associations representing the fire and casualty business oppose the Flood bill and support the Administration's bill H.R. 6524 (copy attached). It is my understanding that the Administration has bipartisan support in the House including the support of Congressman Wright Patman, who introduced the bill for himself, Mr. Barrett and Mr. Widnall. Mr. Widnall is the ranking Republican on the Committee on Banking and Currency. Mr. Patman is the committee chairman.

Basically, the insurance associations do not like the surcharge approach embodied in Congressman Flood's bill nor do they like the idea of covering every possible catastrophic natural disaster on a nationwide basis. In some areas earthquakes and mudslides are the major risks; in other areas droughts and locusts represent the danger; and in still other areas floods represent the major risk. The American Insurance Association, representing the principal fire and casualty companies, prefers insurance tailored to the specific risks foreseen for a given area.

You will note from the Administration bill, H.R. 6524, that the bill contains provisions relating to land use and control. Undoubtedly, these provisions will be opposed by real estate developers. Prospects for the enactment of the Administration bill, including the land use provisions, will depend largely upon the effectiveness of the fight expected to be waged by the real estate developers.

Finally, it is my impression that Messrs. Flood and Schweiker in proposing their "National Catastrophic Disaster Insurance Act of 1973" were responding to legitimate and deeply felt needs and concerns of their constituents which are not shared by a sufficiently broad segment of the public to command major support in Congress.

Mr. Andrew Shaw, Jr.

2.

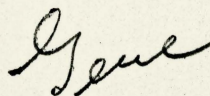
May 17, 1973

As I indicated to you over the phone, I question the equity of surcharging all policyholders to protect policyholders in certain high risk areas. Why should an individual who elects to live in a risk-free area pay an extra premium to protect those who live in the high risk areas? I realize, of course, that natural disaster can strike unexpectedly in an area that may be considered risk free. But by and large a vast number of the property owners of the country are not exposed to natural disasters other than windstorms for which coverage is readily available. It would, therefore, seem that if we are to subsidize the premium costs of individuals who live in high risk areas, the more appropriate method would be for the government to assume the extra cost and pass it along to all of the taxpayers. This seems to be the approach of the Administration's bill which at this time seems to have bipartisan support.

You will also find attached the first page of this week's Washington Insurance Newsletter which discusses disaster flood insurance. Note that George Bernstein, the Federal Insurance Administrator, was sharply critical of the Flood bill on the ground that it overstresses indemnification to such an extent that land-use objectives are likely to be totally lost. This underscores the importance being attached to land-use regulation.

With kind regards, I am

Sincerely,



EMT:ajc

Enclosures

Washington Insurance Newsletter

1365 NATIONAL PRESS BUILDING

WASHINGTON, D. C. 20004

AL GOLDSMITH
Editor

(202) 638-0001

WIN No. 1233
Vol. XXIV, No. 25
May 9, 1973

DISASTER--FLOOD INSURANCE: The Nixon Administration, in an apparently classic instance of mistiming and inadequate internal communications, proposed an omnibus "Disaster Preparedness and Assistance Act of 1973" that would require homeowners, businesses, and state and local governments to purchase private coverage against future natural disaster losses, where such insurance "is reasonably available" in the private market, while its Federal Insurance Administrator was urging Congress to limit its activity in this area for the present to approval of an expanded and strengthened National Flood Insurance Program.

The overall Administration program, which would be administered by a new Office of Federal Disaster Assistance in HUD, is based on the findings of a special disaster study conducted by the Office of Emergency Preparedness (see WIN No. 1213).

Acting OEP director Darrell M. Trent, pointing out that the requirement to purchase disaster insurance would apply only where the President determines that such coverage "is reasonably available, adequate and necessary," emphasized that "the main thrust of the program as it relates to both public and private facilities is that the Federal Government does not want to involve itself or intervene where private insurance is available." Furthermore, he told WIN, "we are not prejudicing or prejudging" the feasibility study of a more comprehensive disaster insurance program now being conducted by the FIA, on which a report to Congress is due by March 1, 1974. And, Trent added, "we visualize continuing the private insurance structure under state regulation without Federal standards."

FIA chief George K. Bernstein led off three days of disaster insurance hearings yesterday (8) by a House Banking Subcommittee on Housing that responded sympathetically to his call for enactment of the Administration's bipartisan-sponsored bill (HR-6524) to expand and improve the existing Federal flood insurance program (see WIN No. 1225).

Bernstein, stressing the "clout" given the program by the bill's provisions mandating purchase of insurance in flood-prone areas and beefing up land-use controls, was sharply critical of an omnibus disaster bill (HR-6903) proposed by Rep. Daniel J. Flood (D-Pa.) of Wilkes-Barre and a number of other Congressmen, which the Subcommittee is considering, that would assess a surcharge on all property and liability insurance premiums; the Subcommittee also is examining a disaster insurance proposal (HR-4920) by Rep. George E. Danielson (D-Calif.) and a large segment of the California delegation, that would set up a Federal Disaster Insurance Corporation, along the lines of the Federal Deposit Insurance Corporation.

The surcharge bills, Bernstein said, "would overstress the indemnification aspects of the program to such an extent that the equally important land-use objectives of the program are likely to be totally lost....But what is principally wrong with the various surcharge bills...is that they put the Government more into the insurance business, while failing to provide the Federal incentives needed to assure that states and local governments live up to their land-use control responsibilities....No land-use, no insurance benefits...."

"In my view, a firm stand on the importance of land-use measures will, in the long run, prove to be of even greater importance than the sudden increase in flood or other insurance that would result from the mandatory inclusion of catastrophe coverage on all fire insurance policies....Uninsured water damage losses are by far our greatest insurance problem, and the best solution to the problem lies in the bill before you."

FIRE PREVENTION COMMISSION: The entire scope of the fire insurance problem is researched in some 90 recommendations to be made after its two-year study by the National Commission on Fire Prevention and Control--in a still unpublished report to be submitted to President Nixon late this month or early in June.

The report will call for a vast Federal involvement in a problem the experts feel must be resolved principally through the reallocation of local resources from "primarily fire suppression to fire prevention," according to Commission Chairman Richard E. Bland. "This requires Federal Government assistance to create incentives for that local reorientation"--principally the creation of a U.S. Fire Administration and of a National Fire Academy.

Not only will this report represent the rare case of a Presidential study group completing its work on time--the Commission deadline is June 30--as forecast here (see WIN Nos. 1216 & 1217), but its recommendations already have been endorsed by key Congressional policymakers.

Senate Commerce Committee Chairman Warren G. Magnuson (D-Wash.) and House Banking Committee Chairman Wright Patman (D-Tex.) announced this week that they intend to introduce companion implementing bills when the report is filed. And, Magnuson added, his measure will be cosponsored by Sen. Norris Cotton (R-NH), ranking minority member of the Commerce Committee, which he said will be a great boost to its prospects. The endorsements voiced by the International Association of Fire Chiefs, the International Association of Fire Fighters, and the National Fire Protection Association are sure to spark further momentum, he said.

Furthermore, Bland emphasized to WIN, the Commission has received a "tremendous amount of input from the insurance industry," and its support is anticipated. Industry representatives on the Commission are: Roger M. Freeman, Jr., president, Allendale Mutual, representing the Factory Mutuals; and John L. Jablonsky, AIA assistant vice president for engineering and safety.

The study's key proposal, a U.S. Fire Administration in HUD, would "serve as a national advocate at the Federal level to bring attention and resources to solve the nation's fire problem," Bland said. Here are the 90 recommendations that will not be made public until the report is sent to the White House:

Recommendations of the National Commission on Fire Prevention and Control

...the Commission recommends that Congress establish a United States Fire Administration to provide a national focus for the Nation's fire problem and to promote a comprehensive program with adequate funding to reduce life and property loss from fire.

...the Commission recommends that a national fire data system be established to provide a continuing review and analysis of the entire fire problem.

The Commission recommends that Congress enact legislation to make possible the attainment of 25 burn units and centers and 90 burn programs within the next ten years.

The Commission recommends that Congress, in providing for new burn treatment facilities, make adequate provision for the training and continuing support of the specialists to staff those facilities. Provision should also be made for special training of those who provide emergency care for burn victims in general hospitals.

The Commission recommends that the National Institutes of Health greatly augment their sponsorship of research on burns and burn treatment.

The Commission recommends that the National Institutes of Health administer and support a systematic program of research concerning smoke inhalation injuries.

The Commission recommends that local governments make fire prevention at least equal to suppression in the planning of fire department priorities.

The Commission recommends that communities train and utilize women for fire service duties.

The Commission recommends that laws which hamper cooperative arrangements among local fire jurisdictions be changed to remove the restrictions.

The Commission recommends that every local fire jurisdiction prepare a master plan designed to meet the community's present and future needs in fire protection, to serve as a basis for program budgeting, and to identify and implement the optimum cost-benefit solutions in fire protection.

...the Commission recommends that Federal grants for equipment and training be available only to those fire jurisdictions that operate from a Federally approved master plan for fire protection.

The Commission recommends that the proposed United States Fire Administration act as a coordinator of studies of fire protection methods and assist local jurisdictions in adapting findings to their fire protection planning.

The Commission recommends that the proposed United States Fire Administration provide grants to local fire jurisdictions for developing master plans for fire protection. Further, the proposed U. S. Fire Administration should provide technical advice and qualified personnel to local fire jurisdictions to help them develop master plans.

...the Commission recommends that the proposed United States Fire Administration sponsor research in the following areas: Productivity measure of fire departments, job analyses, fire fighter injuries, and fire prevention efforts.

...the Commission urges the Federal research agencies, such as the National Science Foundation and the National Bureau of Standards, to sponsor research appropriate to their respective missions within the areas of productivity of fire departments, causes of fire fighter injuries, effectiveness of fire prevention efforts, and the skills required to perform various fire department functions.

The Commission recommends that the Nation's fire departments recognize advanced and specialized education and hire or promote persons with experience at levels commensurate with their skills.

The Commission recommends a program of Federal financial assistance to local fire services to upgrade their training.

In the administering of Federal funds for training or other assistance to local fire departments, the Commission recommends that eligibility be limited to those departments, that have adopted an effective, affirmative action program related to the employment and promotion of members of minority groups.

FRTF Report on "A Report to the Congress"

NEW APPROACHES TO FEDERAL DISASTER PREPAREDNESS AND ASSISTANCE

(Background for understanding the Administration-proposed Disaster Preparedness and Assistance Act of 1973)

Background

This section claims that as a result of legislative and administrative disaster recovery measures put into effect in recent years, in the case of all recent disasters, "the needs for disaster aid and recovery were swiftly and ably met by a concerned and generous America".

Scope and Objectives

The Agnes Disaster law of August 1972 (PL 92-385) requires the President to conduct a thorough review of existing disaster relief legislation to provide the basis for:

1. standardizing benefits
2. improving program execution
3. preventing misuse of benefits

The President organized a task force for this purpose; co-chairmen: G. A. Lincoln (OEP) and Frank Carlucci (OMB). In his charge to this task force, the President stressed importance of:

1. strengthening preventive measures
2. improving National Flood Insurance Program (Administration submitted legislative proposals on this to Congress on March 26, 1973)
3. passing to State and local governments "program execution more properly lodged at those levels"

Conduct of the Study

Data collection included field investigation of:

1. San Fernando Earthquake 1971
2. Norfolk, Nebraska Flood 1971
3. Buffalo Creek Flash Flood 1972
4. Rapid City Flash Flood 1972
5. Agnes Floods in N. Y., Pa., Md., and Va. 1972
6. Arizona Flood 1972

Conduct of the Study (continued)

Study considered a) management, b) program, and c) policy..... On policy, "a specific examination analyzed the relative merits of disaster insurance versus grants and loans in providing loss indemnification compensation."

Basic Characteristics of Present Federal Program of Disaster Assistance

1. Federal disaster assistance is intended to supplement individual, local, and State resources.
2. Federal disaster assistance falls into two principal categories: in less than major disasters, individual assistance may be provided by SBA and U. S. Department of Agriculture under their own authority; disasters declared by the President, individual and community assistance may be provided in accordance with the Disaster Relief Act.
3. Prerequisite of Presidential declaration of major disaster is request by Governor certifying that assistance beyond what State can provide is needed.
4. Federal assistance in Presidential declaration disaster is provided through a Federal-State agreement that determines how much Federal assistance is needed and which counties are eligible.
5. Federal assistance for damaged public and private facilities is based on restoration to original condition and applicable codes.
6. Federal assistance to individuals, non-profit enterprises, and businesses is provided either directly to applicant or through State and local agencies.
7. Federal assistance for rehabilitation of community public facilities is provided through the State.
8. Volunteer organizations play a significant but independent role.
9. Federally subsidized insurance for flood losses is available for individuals, on a voluntary basis, only in communities which meet certain land use and building code requirements.

Major Issues Raised by Recent Experience

1. How to reverse the trend of an expanding Federal role...
2. How to reduce the increasing reliance of State and local governments, and individuals and businesses on Federal funding in regard to disaster losses.
3. How to correct benefit inequities

Major Issues Raised by Recent Experience (continued)

4. How to simplify administration of disaster assistance
5. What constitutes misuse of Federal assistance funds
6. How to motivate individuals and communities to take preventive action
7. How to better integrate long-range recovery with short-term emergency operations

Basic Concepts of Proposed Disaster Legislation

- A. Restructuring will introduce major changes in four basic respects:
 1. "more appropriate" share of responsibility for disaster assistance to be shifted to States and local governments
 2. encouragement of individuals and businesses to assume "proper share" of responsibility for disaster mitigation through insurance
 3. making Federal disaster assistance more effective and equitable
 4. recognizing need for expanded preparedness efforts
- B. Cost to taxpayer for Federal disaster assistance as matters now stand threaten "to grow to intolerable levels".
- C. Thrust of Disaster Preparedness and Assistance proposals by Administration:
"to improve Federal disaster assistance, and, at the same time, to reduce the need for it"

To accomplish this:

1. Management responsibilities for most disaster assistance programs will be vested "more properly" in the States, "with the use of grants to assure needed Federal funding unfettered by a multiplicity of procedural requirements."
2. The main mechanism for indemnification of losses suffered by both the public and the private sectors "may ultimately be insurance".
3. Greater preparedness by government at all levels and the individual citizen is emphasized and encouraged
 - a. the proposed bill provides for orderly transition from the existing to the proposed program through assistance to the States in increasing their capabilities for their enlarged role.

Major Findings

- A. The Federal Role has become paramount, rather than supplementary.
 - 1. at present financial contribution of states is "relatively small" - amount varies from State to State, but even in case of large states such as N. Y. or Cal. it need not exceed \$5 million.
 - 2. because of this, States and local governments have "no incentive" to
 - a. take management and funding responsibilities that are "more properly theirs
 - b. analyze risks....and adopt and enforce safe land-use planning and construction regulations
 - 3. to correct this situation, the proposed bill would provide for increased State management and funding responsibilities
- B. State and local governments have little discretion in determining recovery and restoration efforts.

Because Federal regulations regarding use of Federal disaster recovery funds must apply to whole country, it is difficult to adapt them to special local needs. That this is so, "tends to stifle local initiative."

The administration bill proposes a system of Federal grants to States, based on estimated cost of restoring public facilities, which would permit a more flexible use of Federal funds and encourage local decision making. This would result in "a more balanced and effective partnership within the federal system by allowing each level of government to accept the responsibility for actions it can best take."

- C. The Federal disaster program should reflect the appropriate role of governments under Federal system.

Nevertheless, the Federal government must ensure that adequate assistance is provided to the victims of a disaster.... The Federal government's funding role "will continue to be strongest in the more catastrophic events"....The Federal government "should and will continue to exercise overview functions"

- D. Emergency Operations

The proposed bill envisions a shift toward a greater role for States and local governments, but the Federal Government "is in no respect retreating from its basic responsibility to ensure adequate and equitable emergency assistance to disaster victims"

- E. Insurance

Insurance as compensation for disaster losses is less costly both to the individual and to the Federal government.

- 1. Existing disaster legislation does not provide incentives for self-protection:

- a. Agnes disaster legislation discouraged both individual and community self-protection by making 1% SBA loan with \$5,000 forgiveness available to individual, and by giving communities up to 100% of the cost of repairing
 - b. although since Agnes the "disincentive" of low interest loan plus forgiveness of part of it for individuals has been removed, the "disincentive" for communities remains
 2. Proposed legislation encourages self-protection through insurance in two ways:
 - a. limits Federal funding for repair of public facilities to 75%
 - b. requires purchase of insurance to protect against disaster losses, both by individuals and by communities, as a condition for a disaster loan and for Federal funding of repair of public and private facilities.
 3. National Flood Insurance Program should be strengthened
 - a. Legislation to improve it (submitted March 26, 1973) will:
 1. provide financial incentives for flood-prone communities and their inhabitants to join the program
 2. foster safer development in flood-hazardous areas
 3. increase financial and physical protection for existing structures
 4. in effect, tie disaster insurance to disaster mitigation actions.
 4. Insurance is an efficient and equitable means of loss compensation for flood losses and for some other types of disaster losses.
 - a. shifts responsibility for disaster relief from general public to individual who bears disaster risk
 - b. loss indemnification is virtually automatic....doesn't depend on declaration of disaster
 - c. insurance monies can be used as those insured see fit
 - d. insurance protection can be provided through established insurance industry with a minimum of governmental interference
 5. Insurance is less costly to the individual and to the Federal government
- F. Aid to Communities
1. Proposed legislation would supply financial aid to communities more quickly and equitably than in past, but, "in keeping with the basic concept of an increased responsibility on the part of local governments, the assistance will be provided in the form of a loan or a loan guarantee rather than a grant."

2. Because local governments are a substantial source of jobs, and influence economy of affected area, they will be eligible for the current (post-Agnes) disaster loan program
3. Past inequities in disaster assistance to communities will be corrected by new legislation
 - a. community's public facilities and services will be eligible for inclusion in Federal grant to State covering 75% of estimated cost of restoration
 - b. public recreation facilities will also be eligible
 - c. educational facilities will receive the aid now provided separately by HEW
 - d. nongovernmental facilities serving important functions (i.e. medical care facilities, fire departments, utilities, custodial care facilities) will be aided in same way as public facilities

G. Aid to Individuals

1. Elimination of forgiveness feature and setting of interest rate at Treasury rate is retained in new legislation
2. To encourage purchase of disaster insurance, loan applicant will be required to buy it, where reasonably available, to cover his property losses in future disasters
3. To help the needy, new legislation will make funds available to States so they can make grants to needy disaster victims
4. New legislation authorizes guaranteeing of loans to private sector disaster victims. Advantages of this are:
 - a. dealing with local bankers means faster service to disaster victims
 - b. vitality of local economy preserved

- c. cost of administering loan program reduced
- d. use of revolving fund to handle loan guarantees guards against unexpected impact on Federal budget due to many disasters in one year

5. Emergency Housing

- a. recognizing individualized nature of emergency housing needs, new legislation turns management of this over to the State
- b. recognizing that emergency housing is extraordinary financial burden, new legislation provides for Federal grants in this regard to the States (within guidelines established by Federal government)

H. Preparedness

- 1. Wide disparity between states in regard to disaster preparedness.
Upgrading of state disaster preparedness laws clearly called for.
Under a Federal contract, the Council of State Governments has developed an Example State Disaster Act
 - a. Council expects either legislation on this or progress on enactments by 25 states
- 2. To assist States in assuming more disaster responsibility than in past, Federal government will:
 - a. provide technical assistance to pass on expertise to States
 - b. authorize a \$25,000 one-time grant (with no matching funds requirement) as incentive for State to develop disaster prevention and disaster relief program.

I. National disaster preparedness

- 1. Proposed legislation authorizes activities leading to coordination of Federal, State, and local disaster preparedness
- 2. Proposed legislation authorizes use of private or commercial communications system as well as Federal civil defense system

J. Federal Government will be pacesetter in improving hazard-mitigation Programs at all levels of government

1. Under new legislation, Federal Government will require that new Federal facilities accord with land-use and construction standards set by the President.
2. The same legislation will require States and local governments to accord with the same standards to be eligible for disaster loan or grant
 - a. it is expected that implementation of proposed National Flood Insurance Program will eventually reduce building of facilities in flood-prone areas and give risk coverage to existing structures.
 - b. it is thought that a comprehensive disaster insurance program tied to hazard-mitigation measures will accomplish the same objectives for other natural hazards (whether provided by private insurance agency or cooperatively with the government)

K. Implementation

1. The proposed disaster legislation recognizes that time will be required to effect a smooth realignment of disaster responsibilities from Federal government to States.
 - a. under the bill, its assistance provisions will take effect 120 days after enactment
 - b. under the bill, Federal funds will be made available to States to assist them in regard to disasters, for one year after its enactment.
 - c. technical assistance from Federal government to States will continue without time limitation

Conclusion

- A. "In some respects, this proposed legislation will reduce the level of Federal benefits to local governments and the private sector. But this

need not mean an actual lessening in disaster assistance. That will hinge largely on the willingness and capabilities of the individual States to meet their responsibilities. The bill delineates those responsibilities clearly and provides incentives for the development of those capabilities:

1. 100% funding (up to \$25,000) for State plans and preparedness development
2. 75% funding for facility repair and restoration and debris removal

B. Federal grants to the States will:

1. provide appropriate latitude for State determination of priorities and most effective use of supplementary Federal funds
2. eliminate much red tape

C. Transferral of heretofore Federally managed programs (temporary housing, grants to low-income disaster victims, restoration of public facilities) recognize that States often better able to administer these

D. "Requirements for subsequent insurance may well be a firm but effective way to share the load of loss indemnification and is fully in accord with the American principle of self-help first before turning to government."

E. Proposed legislation's requirements re such hazard mitigation measures as land-use and construction standards might prove most effective of all in reducing cost of disaster assistance.

SBA Loans Get Partial Forgiveness

Washington (AP) — The Senate voted Thursday for a partial restoration of repayment forgiveness on Small Business Administration disaster loans.

Last month, Congress abolished a previous waiver of repayment of the first \$5,000 on loans of victims of natural disasters and increased the interest rate from 1 per cent to 5 per cent.

In amendments to the Small Business Act sent to the House Thursday, repayment waiver would be restored up to \$4,000 for families with annual income under \$10,000.

Families with incomes above \$10,000 would receive grants up to \$4,000 for the full amount of losses minus 4 per cent for each \$1,000 of income above \$10,000.

All disaster victims qualifying for SBA loans would receive forgiveness equal to 20 per cent of their damage up to a maximum of \$4,000 regardless of income.

The bill was passed 82-1 with only Sen. William Proxmire, D-Wis., voting against.

Adopted by voice vote was an amendment by Sen. Thomas F. Eagleton, D-Mo., to put disaster loans by the Farmers Home Administration prior to April 20 on the same basis as the more liberal SBA loans.

TIMES-LEADER, EVENING NEWS, RECORD,

WILKES-BARRE, PA., FRIDAY, MAY 18, 1973

Recommendations submitted to Senate Subcommittee on Disaster Relief by Andrew Shaw, Jr.

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.

X 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.

X 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:

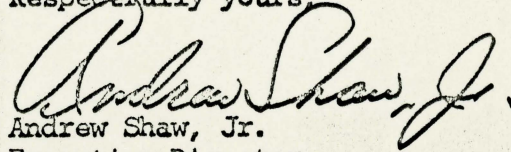
- a. definitely fixed lines of authority and responsibility
- b. clearly defined lines of communication
- c. recovery planning based on the local Civil Disaster Preparedness Agency's understanding of the governmental, social, and cultural factors that characterize the affected areas.

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.

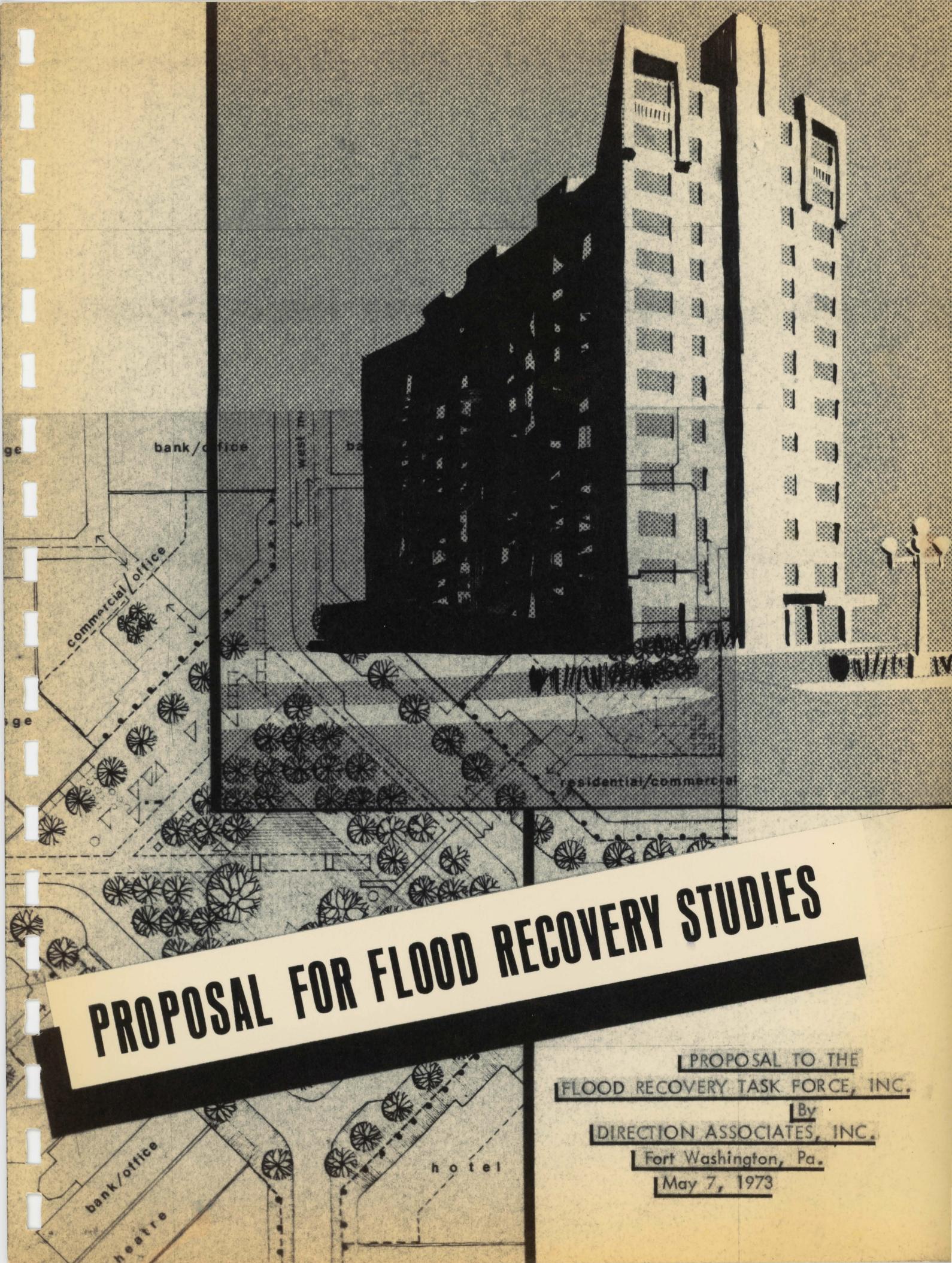
C. Creation of a National Catastrophic Disaster Insurance Program
Wyoming Valley's experience since last June has clearly demonstrated that in a major disaster situation the financial assistance the individual disaster victim now receives is woefully inadequate. It has also indicated a strong probability 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



PROPOSAL FOR FLOOD RECOVERY STUDIES

PROPOSAL TO THE
FLOOD RECOVERY TASK FORCE, INC.

By
DIRECTION ASSOCIATES, INC.

Fort Washington, Pa.

May 7, 1973

