

Special Committee on Disaster Preparedness Planning September 13, 2006

Michael Shoys

Vice President

Wisconsin Manufacturers & Commerce

Wisconsin Council of Safety

Introduction

My name is Mike Shoys. I'm Vice President of Wisconsin Manufacturers & Commerce and the Wisconsin Council of Safety.

WMC and WCS represent over 5,500 Wisconsin employers with over 500,000 employees statewide. While many of you probably know us primarily as a business advocacy group, we are much more than that. Our members look to us for information and support on a wide range of business issues.

The Wisconsin Council of Safety, which is the Wisconsin chapter of the National Safety Council, is the largest safety organization in the state. Each year WCS trains over 30,000 Wisconsin workers in a wide range of subjects. For instance:

- WCS holds over 150 open enrollment courses ranging from OSHA compliance to first aid to ergonomics.
- WCS conducts onsite safety training and train-the-trainer programs at member sites.
- WCS holds 14 major conferences each year on topics including Disaster Preparedness, Environmental Compliance, Ergonomics, Security, Human Resources, Wellness, and the annual Safety Congress and Expo, which is the largest program of its kind in the Midwest. We also conduct Defensive Driving courses and sponsor Crash Free Wisconsin and the Teen Driver initiatives.
- WCS manages the Wisconsin School Safety Coordinators Association (WSSCA) and conducts all their training programs.
- In addition, WCS subcontractors conduct on-site safety audits. We recently completed a comprehensive review of 28 state owned buildings including the Governor's Residence and this State Capitol Building.

Disaster Preparedness Issues

I'd like to address 2 issues listed in the Scope of Study for this Committee:

- Private sector assistance to government entities responding to disasters
- Dissemination of information to the public during disasters

In addition, I will discuss business risks that are specific and unique to pandemic events.

Private Sector Assistance

Businesses have a history of stepping to the plate when disasters occur. It's usually a case of "what do you want us to do, and when and where do you want us to do it?" Some examples include:

Ideally, public sector planning would include very specific needs analysis for specific types of events, communicated well in advance on a local basis, with a commitment from business in return.

Katrina Lessons Learned

Source: The Federal Response to Hurricane Katrina: Lessons Learned. February 2006

Findings: "Even when agencies matched non-government organizations (NGO's) aid with an identified need, there were problems moving goods, equipment and people to the disaster area."

LL: The Federal response should better integrate the contributions of volunteers and NGO's into the broader national effort. This integration would be best achieved at the state and local levels, prior to future incidents. State and local governments must engage NGO's in the planning process, credential their personnel, and provide them the necessary resource support for their involvement in a joint response.

LL: The Department of Homeland Security, in coordination with state and local governments, and the private sector, should develop a modern, flexible, and transparent logistics system.

Wisconsin experience

Thrivent inoculation assistance

Wisconsin Film and Bag response to Katrina

Dissemination of Information

WMC believes this is the single most important issue for businesses. Employees most often look to their employer as a credible source of information and protection. Communications and information dissemination serve two purposes; (1) to solicit private sector assistance, and (2) to communicate the status of the disaster, what the public should do to protect themselves, and what business owners should do to protect their employees and businesses.

Katrina Lessons Learned

Findings: "Many available communications assets were not utilized fully because there was no national, state, or regional communications plan to incorporate them."

“Federal, state and local officials gave contradictory messages to the public, creating confusion and feeding the perception that government sources lacked credibility.”

LL: The Homeland Security Council...should develop a national Emergency Communications Strategy....

LL: The Department of Homeland Security should develop an integrated public communications plan.

During our initial planning meeting with Department of Health and Family Services to develop business-oriented Pandemic Planning sessions, we suggested WMC might be an important link between the public and private sectors. With over 5,500 corporate members, plus 50 trade associations and over 100 local chambers of commerce, WMC should be able to quickly disseminate information about disasters to well over 50 % of the private sector employers in the state. However, there are major barriers. The private sector is concerned they could be held liable for damages due to errors or omissions in the information communicated.

Recognizing this as a significant barrier to public / private partnerships, the Federal Government and Department of Homeland Security have established Information Sharing and Analysis Centers or ISAC's to allow critical sectors to share information with their constituents. Importantly, immunity has been guaranteed if mistakes in communications are made.

Business Risks During Pandemics

Any disaster creates certain business risks. Generally, companies develop business continuity plans to respond to emergencies. These plans are designed to protect and inform employees and get the business back in operation as soon as possible. Normally, these plans consider natural disasters, man-made disasters (chemical spills, etc.) and, since 9-11, terrorist acts.

Pandemics, however, create a new set of risks, and businesses, whether they have disaster recovery plans or not, need to develop additional pandemic crises management plans. Some of the unique risks associated with pandemics include:

- Human resources issues, including leave and vacation policies, insurance coverage for vaccinations and home health, payroll, privacy and union issues.
- Personal hygiene issues, including potential OSHA requirements
- Minimizing financial loss from extended shut down or supply chain interruption
- Keeping customers when you can't deliver the goods
- Minimizing exposure to lawsuits.

WCS and the Department of Health and Family Services are doing their part in disseminating information about these issues. A series of 5 Pandemic Planning Symposium for Business programs is starting next week. Those programs will focus on public / private communications and business risk planning.

The WMC website www.wmc.org also has a section dedicated to pandemic resources.

An issue unique to pandemics is business insurance. Under natural disaster scenarios, business insurance indemnifies the employer from most risks. But in a pandemic event, it's a completely different story. Under standard ISO policies there is no coverage for business losses (called business interruption coverage) because in a pandemic:

1. No property damage occurs, and
2. Disruption was not caused by a covered peril (natural disaster, etc)

Even a government-ordered quarantine would not trigger coverage.

In addition, Worker's Compensation coverage would not be triggered unless there is a direct causal event at the workplace, for instance, at a poultry operation where a worker contracts flu from a bird being processed.

Conclusions / Recommendations

1. Tell business what the government wants them to do, when they may have to do it and where. Plan in advance. Pave the way.
2. Create an inventory of current public / private initiatives as best practices.
3. Consider legislative action to give immunity to organizations that create systems to communicate to the public (ISAC model)
4. Continue to target a portion of public funds toward public / private response partnerships and training.
5. Solicit input from industries whose normal operations include disaster response. The utility industry comes to mind.

Thanks for asking me to participate in today's meeting.