



Special Report: DOD Solutions for DHS Problems

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The combat challenges facing the Department of Defense (DOD) during U.S. military deployments overseas are, of necessity, heavily dependent on complex and multifaceted logistics and force-sustainment operations carried out far from designated safe areas. To meet these challenges, DOD has over the last four decades created several programs designed to enable the nation's armed forces to rapidly mobilize and employ large quantities of the private-sector transportation assets – transport and airlift aircraft, for example, as well as U.S.-flag merchant ships and the nation's railroad system – that are needed to meet the surge requirements for troops and material resources in time of war.

In creating these programs, the Department of Defense has also, and without intentionally doing so, developed a model for the answer to one of the most significant problems facing the U.S. Department of Homeland Security (DHS) – namely, how to quickly and cost-effectively mobilize emergency-relief assets when responding to what are officially designated as "Incidents of National Significance."

A quick mobilization is always essential when a disaster occurs. Delays in the response-and-recovery efforts that follow significant natural or manmade catastrophic events can increase the impact of the event in several adverse ways, including a greater economic loss, the loss of additional lives, and prolonged psychological damage. Given the probability of additional threats posed by natural and manmade disasters, particularly those involving large-scale climatic events (hurricanes and earthquakes, for example) and/or the use by terrorist groups of weapons of mass destruction, there is a pressing need for DHS to develop a more modern delivery mechanism for the consequence-management phase of disasters occurring within the United States itself.

CRAF, VISA, and STRACNET

Fortunately, a true transformation of DHS's disaster-response capabilities can be achieved by leveraging existing DOD processes to mobilize, for domestic purposes, the transportation and logistics assets available from the private sector. Among the programs used by the Department of Defense for many years to meet DOD's own needs on short or no notice are: CRAF (the Civil Reserve Air Fleet, which provides civilian transport aircraft when there are not enough military aircraft available); VISA (Voluntary Intermodal Sealift Agreement, under which U.S. ship owners and/or operators provide cargo space aboard their vessels); and STRACNET (Strategic Rail Corridor Network – which provides funds to maintain critical rail corridors).

To ensure it will have pre-negotiated access to private-sector transportation capacity in times of natural or manmade disasters on the U.S. homeland, DHS could use these DOD models to develop programs that harness the latent capabilities in the U.S. private sector's modern supply-chain systems. These and other corporate assets could quickly, and at reasonable cost, support a carefully coordinated plan for public-sector emergency-response operations that prioritizes, orders, ships, tracks, and delivers guaranteed quantities of relief supplies at prices agreed on beforehand.

It is obvious that a master plan of this magnitude is urgently needed. Most if not all current initiatives to organize and deliver emergency-relief supplies in response to incidents of national significance are fundamentally reactive in nature, and in many cases rely largely on an unspecified blend of corporate contributions, disparate nonprofit relief agency support, and the not always well-coordinated government efforts led by local, state, and federal officials at various levels of office – and, frequently, possessing varying levels of authority.

The DHS has the ability, though, by rationalizing these fragmented and relatively uncoordinated assets, to optimize their combined impact and lead public and private-sector stakeholders in minimizing disruptions, accelerating the recovery process, mitigating the economic impact of disasters, and – most important of all – reducing the loss of life.

An Abundance of Catastrophic Evidence

Regardless of the nature of the catastrophic event, if *any* disaster rises to the level of “national significance” the federal government can reasonably anticipate the need to rapidly mobilize large quantities of relief supplies and capabilities such as food, water, lumber, tarps, shovels, temporary housing, transportation, medicines and medical equipment, and many other goods and services.

Following Hurricane Katrina (the first officially declared Incident of National Significance), an abundance of anecdotal evidence exposed the existing gap between: (a) the government's (state and local as well as federal) requirement for early, and preferably immediate, access to emergency relief supplies; and (b) the ready availability of those and other resources – most of them built, possessed, and controlled by the private sector.

Stories of government purchase cards being used to procure a store's entire inventory on the spot, and of the highly publicized cruise-ship vessel charter agreement initiated by FEMA (the Federal Emergency Management Agency) in the aftermath of the hurricane, demonstrated that the federal government had not, at the time that Katrina hit, established beforehand the type of public-private partnerships needed, at the national level, to provide pre-arranged access to major stocks of relief supplies.

Today, the federal response paradigm still seems to be of a relatively ad-hoc nature, which means that in the future many large and exponentially important procurement decisions will still have to be negotiated after an incident occurs, rather than ahead of time.

A government policy mandating the large-scale purchase and stockpiling of emergency relief goods and services would be unduly costly, and the current ad-hoc purchase-and-distribution response system is demonstrably neither efficient nor cost-effective. Indeed, it also might have a long-term negative impact on private-sector business. The solution is to let the private sector deliver the needed material when and where the government directs.

To illustrate: When a major home improvement store decides, in an effort to provide immediate support to the area affected by a disaster, to sell its entire inventory on the spot, it simultaneously forfeits the ability to serve its regular client base, which often enough might not even be in the affected area, and would normally – i.e., absent the government's requirement for emergency relief supplies – be creating a steady demand for the same goods. The clients that must be turned away by the home improvement store will still be there long after the catastrophic event has been dealt with, so the retailer is left to deal with the longer-term economic impact of the possible loss of goodwill.

The High Cost of Poor Planning

Similarly, when the government attempts, as it did post-Katrina, to rapidly charter cruise-ship capacity after an incident, two negative economic consequences are likely: (1) the cruise-ship provider will be forced not only to cancel cruises previously scheduled but also to deal with the operational impact of the lost ship capacity; and (2) because ship capacity is essentially a commodity, the government will be forced to pay (with obvious economic consequences) the current market rate for a commodity that has suddenly increased in demand.

In order to take advantage of the federal government's huge purchasing power, and combine it with the private sector's superior ability to rapidly provide massive quantities of emergency relief supplies, the Department of Homeland Security would have to work in close cooperation, of course, with other government agencies, the appropriate committees of Congress, major corporations, nonprofit organizations, and academia to support the development of a strong public-private partnership, at the national level, that could serve as a force multiplier in dealing with catastrophic all-hazards events within the United States.

To summarize: To improve the current U.S. domestic-preparedness posture, DHS should and must develop new solutions – using current DOD programs as a model – for rapidly mobilizing and leveraging the emergency-relief assets controlled by the nation's private sector. By so doing, the department would be carrying out the mission it has been assigned of coordinating and ensuring an appropriate response – while at the same time empowering the nation's private-sector businesses to effectively create and have in place the infrastructure needed for the mass mobilization and distribution of goods and services required in the immediate aftermath of an incident of national significance.

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