

THE CIP REPORT

Public Trust and Confidence

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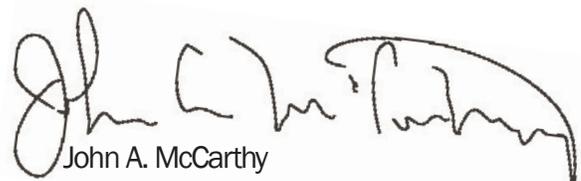
This month's edition of *The CIP Report* is focused on the issue of Public Trust and Confidence, a topic of great relevance in the wake of after action reports from the previous hurricane season. The issue of public trust and confidence has been fundamental to all discussion related to critical infrastructure protection, and is in fact called out in *Critical Foundations: Protecting America's Infrastructures*, the report of the President's Commission on Critical Infrastructure Protection. This decisive document clearly defined public confidence as the "trust bestowed by citizens based on demonstrations and expectations of: 1) Their government's ability to provide for their common defense and economic security and behave consistent with the interests of society; and 2) their critical infrastructures' ability to provide products and services at expected levels and to behave consistent with their customers' best interests."¹



School of Law
CRITICAL INFRASTRUCTURE PROTECTION PROGRAM

To those who have responsibility and accountability for the effective management of our response process, maintaining public trust and confidence is an essential element to successful incident management. In my past life as a trained US Coast Guard Incident Commander for oil and hazardous material spills, this was known as the 'oily duck' principle. No matter how well an incident was managed from a technical, operational or fiscal perspective, if pictures of one unattended oily duck appeared in the media, the overall response would be considered a failure by the public at large. Clearly, we saw this principle in the extreme during Hurricane Katrina. Haunting images of the Superdome, submerged school buses, and crumbling levees will always overshadow the many things that went right with the response.

This issue includes an overview of the sources on public trust and confidence, providing insight into recent reports such as the White House's Federal Response to Hurricane Katrina. Our Legal Insights column examines the continuing activity surrounding the Committee on Foreign Investment in the US (CFIUS) as it relates to public trust and confidence, and we provide a write-up of our recent CFIUS event, which featured a keynote by Stewart Baker, Assistant Secretary for Policy for DHS. Finally, we feature an article examining the impact of public trust on charities and the potential impact this might have on their ability to respond to disasters, and a survey on public confidence in CIP.



John A. McCarthy
Director, Critical Infrastructure Protection Program
George Mason University, School of Law

¹ *Critical Foundations: Protecting America's Infrastructures*, The Report of the President's Commission on Critical Infrastructure Protection, October 1997, available <http://www.ciao.gov/CIAO Document Library/PCCIP Report.pdf>.

Sources on Public Trust and Confidence

Five Principles for Promoting Trust and Confidence

1. *Develop and disseminate key contacts - including communication chains.*
2. *Pre-canned messages to the public, employees, customers, suppliers, and others.*
3. *Coordinate clear and unambiguous messages; coordinate these messages with partners.*
4. *Proactively manage fear.*
5. *Implement public awareness programs in areas where the public is potentially impacted by a hazard.*

Public Trust & Confidence: Traditions and Definitions

Managing public trust and confidence has evolved into one of the more complex aspects of critical infrastructure protection. Trust issues are of growing relevance to the critical infrastructure community. The Northeast Blackout and Hurricane Katrina represent two events not involving terrorist attacks and yet required deployment of public trust and confidence programs.

Both the public and private sectors should carefully consider strategies for managing public

trust and generating confidence in infrastructure service delivery in advance of a catastrophic natural disaster or security incident.

Public trust and confidence has been thoroughly studied and defined in other policy contexts. In judicial circles, for example, Federal and State organizations have examined the public's perception of our judicial institutions. The National Center for State Courts regularly assesses the extent to which citizens have trust and confidence in court decisions - to measure the public's willingness to comply, as well as to gauge perceptions of fairness, accessibility to the courts, and speed of review. The most recent survey identifies four aspects of trust and confidence, which constitute a useful definition for a variety of public policy contexts:

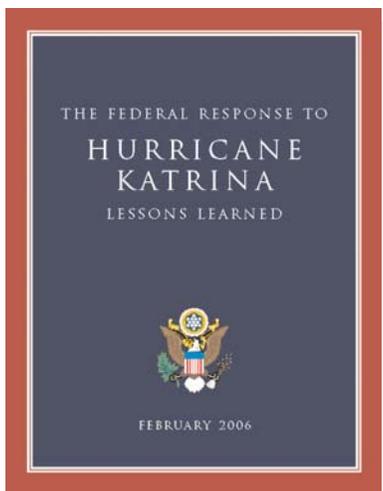
- (1) **Interpersonal Respect:** Being treated with dignity and respect, and having one's rights protected;
- (2) **Neutrality:** Decision makers who are honest and impartial and base decisions on facts;

- (3) **Participation (voice):** The opportunity to express one's views to decision makers; and
- (4) **Trustworthiness:** Benevolence of the motives of authorities.¹

Researchers and government agencies have also considered trust and confidence in areas perceived to be especially dangerous by the public. Over a decade ago, for instance, an advisory committee for the Secretary of Energy examined the public's trust and confidence in the clean-up of radioactive waste. The committee ultimately concluded that public trust and confidence is the foundation upon which American governance structures rest:

Although the relationship is by no means straightforward or uncomplicated, high levels of trust and confidence buttress the legitimacy of action in the public sphere. In addition, low levels erode that legitimacy and call into fundamental question the bond between those who govern and those who are governed.²

(Continued, Page 3)

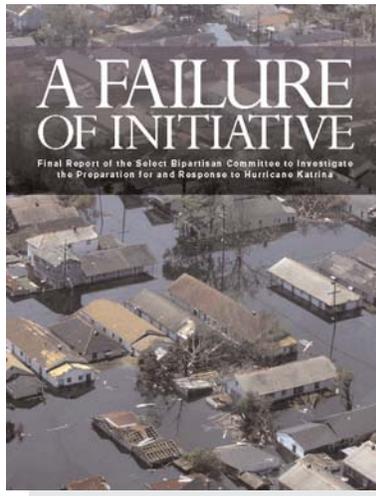


The White House Report on Hurricane Katrina

Sources on Public Trust (Cont. from Page 2)

Legal Foundations: Public Trust and Confidence in Critical Infrastructure

First the bad news: Congress has failed to statutorily define or delegate activities to promote public trust and confidence relating to critical infrastructure protection. Similarly, Congress attempts to promote trust indirectly - through funding and other pre- and post-disaster activities - by adopting disaster-related authorities, such as the Stafford Act and the Defense Production Act. The Stafford Act's emphasis on particular governmental actions – reducing immediate threats to life and property, providing warnings, and removing debris are all examples of public sector efforts to return life to normal after a



The House Bipartisan Committee Report on Hurricane Katrina

major disaster. These and other authorities do not, however, direct the development of public trust strategies in close concert with State officials and critical infrastructure owners.

Arguably, the public has paid a price for the lack of clear authority and Congressional direction.

Infighting across the US-Canadian border during the Northeast Blackout, while of limited duration, could have led to widespread confusion and a sense that neither government was managing an essential citizen service - reliable supplies of electric power. Ultimately, the lack of panic during the Northeast Blackout, especially in New York City, reflected not only a belief that Federal, State, and local government officials were firmly in control of issues (like security), but also demonstrated the public's confidence in the electric power sector's ability to restore service across a wide geographic expanse and to focus on customer needs.

Clearer direction from Congress could have covered such issues as: (1) Congressional expectations and findings on the importance of public trust and confidence during a catastrophic disaster; (2) Delegation of authority (such as to the Department of Homeland Security (DHS)) to manage (Continued, Page 4)

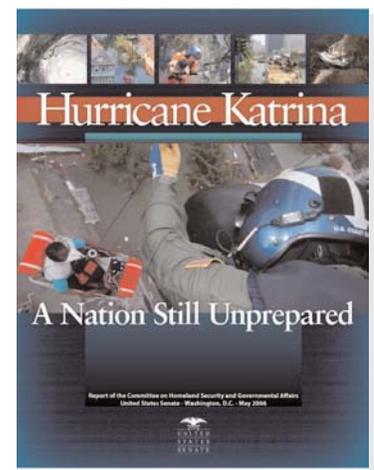
The **National Response Plan** creates procedures to disseminate and respond to requests for pre-disaster, disaster, and post-disaster information, including procedures for providing information to internal and external audiences, including the media, and dealing with their inquiries.

The NRP institutes an integrated concept, termed "incident communications," as the approach used to manage communications with the public during Incidents of National Significance. Incident communications incorporates the following processes:

Control: Identification of incident communications coordinating, primary and supporting departments and agency roles, and authorities for release of information.

Coordination: Specification of interagency coordination and plans, notification, activation, and supporting protocols.

Communications: Development of message content such as incident facts, health risk concerns, pre-incident and post-incident preparedness recommendations, warning issues, incident information, messages, audiences, and strategies for when, where, how, and by whom the messages will be delivered. General guidance on the authority to release information is in accordance with existing plans, operational security, law enforcement protocols, designated coordinating and primary agency assignments, and current procedures.³



The Senate Committee on Homeland Security and Governmental Affairs Report on Hurricane Katrina

The White House National Strategy for Pandemic Influenza Implementation Plan emphasizes the need for maintaining public confidence by providing unambiguous, coordinated and consistent messages to the public. The plan's guidance for employers suggests the development of platforms for communicating pandemic status and actions to employees, vendors, suppliers, and customers inside and outside the worksite in a consistent and timely manner, including redundancies in the emergency contact system. The guidance also instructs employers to anticipate employee fear and anxiety, rumors, and misinformation and to plan communications accordingly.⁴

Sources on Public Trust (Cont. from Page 3) trust issues during an interstate infrastructure incident; (3) Requirements to clarify roles and responsibilities for public messaging as part of the National Response Plan (NRP); and (4) Allocation of resources to create robust public-private trust and confidence programs.

Notwithstanding the lack of statutory frameworks, Congress, the Administration, and the critical infrastructure sectors are generating new strategic foundations as well as specific practices to promote public trust and confidence for critical infrastructure preparedness and response.

While there is no single, one-size-fits-all approach, an assortment of lessons learned, planning documents, and homeland security standards reveal particular principles that promote trust and confidence. When read together, these documents offer at least five principles that apply in an all-hazards environment - which includes a terrorist incident or a catastrophic natural disaster.

1. Develop and disseminate key contacts - including communication chains.

The work efforts of the North American Electric Reliability Council (NERC), which represents

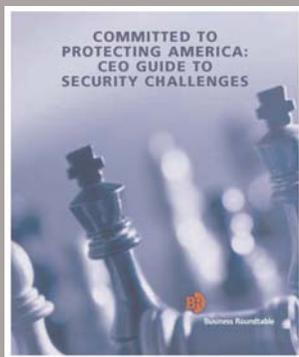
the electric power sector, reflect a good example of preparedness for public trust and confidence. NERC studied and documented preparedness options specifically for a pandemic influenza outbreak. The guidance includes several recommendations for promoting trust and confidence, including emergency communications strategies and planning. Such planning, the authors conclude, should include key contacts, back-up contacts, and communication chains.

2. Pre-canned messages to the public, employees, customers, suppliers, and others.

A more proactive practice is to develop messages in advance of a disaster. Critical infrastructure companies and government agencies can then refine messages and garner institution approvals in advance of an emergency. An even more sophisticated approach is to coordinate these pre-approved messages across the infrastructure sector, with other critical infrastructure sectors, and with the government (refer to the 3rd principle, below).

3. Coordinate clear and unambiguous messages; coordinate these messages with partners.

One of the more sophisticated strategies is to prepare communications (Continued, Page 13)



The Business Roundtable's Security Task Force has published an extensive security guide for the nation's Chief Executive Officers. Chapter 5 underscores the importance of managing fear and shoring up confidence not only in the markets, but also with employees, customers, suppliers, and vendors: "Leadership on the part of corporate executives is key to making employees feel safe in the event of a disaster. Coming out early with appropriate information can prevent panic among both company employees and the public in the affected community."⁵

The Business Roundtable considers public trust and crisis communications in the business community so important, the group published a second volume dedicated solely to the issue. The organization suggests that: "when an actual crisis strikes, the CEO's role often includes serving as [the] chief morale builder, providing leadership and reassurance to employees, the community and shareholders."⁶

Both publications address an all-hazards environment, which includes a terrorist incident or a catastrophic natural disaster.

*Legal Insights***Trust & Confidence & CFIUS**

by Randall Jackson, Esq., CIP Program



The Committee on Foreign Investment in the United States (CFIUS) was once a rather obscure office dealing with transactions involving foreign-

owned entities investing in the United States. Its work was carried out quietly and received very little media attention. Certain deals, such as Lenovo or CNOOC, was picked up by mainstream media, but CFIUS remained mostly unknown to the public.

That all changed a few months ago when Dubai Ports World, a company owned by the government of the United Arab Emirates (UAE), purchased Peninsular & Oriental Steam Navigation, a British company which holds contracts to provide some services at sections of major ports around the United States such as New York, Baltimore, Miami, and New Orleans.

The deal was initially cleared by CFIUS within the 30-day review period. A 45-day investigation was not deemed necessary despite the fact of government ownership. Some members of Congress were upset by this decision and questioned why a 45-day investigation was not under-

taken. The fact that the UAE is an Arab country then carried the debate into a larger public arena as questions of homeland security and terrorism were brought to bear.

CFIUS's power to conduct investigations and make decisions is based on a congressionally delegated power. Congress has recognized that the executive branch can more efficiently and economically carry out the oversight of foreign investment in the US and so created CFIUS and gave it the authority it needed. Crucial to the decision to give this power to CFIUS, and thus the executive branch of the government, was the implicit trust that the duties would be carried out in good faith. For some members of Congress, the Dubai Ports World deal was a breach of that trust.

Since the Dubai Ports World controversy, a lot of legislation has appeared. All have sought in one way or another to take back into Congress some degree of control and/or oversight of the processes over which CFIUS has been in charge. Some have looked to change the structure, rules or the name of CFIUS, while more extreme bills have tried to ban foreign ownership of critical infrastructure outright. All bills have

sought to re-inject members of Congress into the vetting process of foreign investment. The confidence and trust Congress expressed by delegating this function to the executive branch appears to have evaporated. Congress seems to be saying that it can no longer trust the executive branch to properly weigh the competing interests of gain from international commerce against possible security threats. And they seem to be supported by the public. According to a CBS News poll,¹ 70% of Americans said that the Dubai Ports World deal should not be allowed (including 58% of Republicans asked). As representatives of the American people, Congress felt a need to act.

Yet it is widely agreed that foreign investment in the US is not only a generally positive thing, but in fact a very helpful and necessary aspect of the US economy. With US debt approaching \$1 trillion, foreign investment is crucial. It is also a provider of significant employment, including high-wage employment, across the US economy.

The loss, or lowering, of the level of trust held by the public and the Congress as regards the CFIUS process will inevitably make it (*Continued, Page 11*)

Confidence in Charitable Organizations Could Impact Disaster Relief

We inevitably see a great outpouring of charitable giving following large scale disasters, such as the recent hurricane season of 2005 and the tsunami relief efforts initiated in December of 2004. In each of these disasters, the outpouring of charitable donations from the private sector and citizens enabled non-profit organizations, such as the American Red Cross, the United Way, and other religious and secular groups to assist federal disaster relief programs. With over one million charitable organizations in the US, the significant contributions made by these volunteers and non-profits greatly impact response and recovery efforts. However, with recent polls showing that public trust and confidence in charitable organizations is dwindling, will these organizations continue to play such a vital role in future disasters?

As of February 28, 2006, the six month mark following landfall by Hurricane Katrina, the Department of Homeland Security reported that more than 16,000 federal personnel have been deployed to the Gulf Coast to assist state and local resources and some \$88 billion in federal aid has been allocated for relief, recovery, and rebuilding, with additional billions requested.¹ The extent of damage to the Gulf Coast was overwhelming, with approximately 90,000 square miles damaged by the storm and 1.5 million people impacted. Immediately following the storm, charitable contributions towards recovery and reconstruction began arriving; with nearly \$3 billion donated by private individuals, businesses and groups in support of faith-based and community organizations and disaster relief agencies. Following the example of

the tsunami relief efforts, former Presidents Bush and Clinton organized private fundraising efforts that yielded more than \$100 million in aid for the affected region. Additional contributions of nearly \$125 million in aid arrived via international entities to the State Department, which then transferred those contributions to FEMA and the Department of Education (for rebuilding schools).

However, beyond the picture of federal aid, the American Red Cross alone expended \$2.116 billion in relief efforts, aid that provided nearly 500,000 people with temporary shelter and more than 34 million meals.² In addition to the food, shelter and meals provided, the Red Cross also offered emergency financial assistance, enabling victims to purchase clothing and other destroyed personal items, physical and mental health services, and has an ongoing Hurricane Recovery Program that will continue to address the long-term needs of these communities. Beyond these vital contributions, the Red Cross also boasts a two hour response and mobilization time for all 1,300 chapters around the country.

Organizations such as the Red Cross have historically seen giving levels rise in the past 39 of 40 years, with 89% of US households reporting donations with the average contribution around \$1620.³ And while the overall perception (*Continued, Page 7*)



The American Red Cross set up operations in a former Walmart in Baton Rouge, LA, to provide aid to Hurricane Katrina victims.
Photo by Robert Kaufmann /FEMA

Charities (Cont. from Page 6) of non-profits, including charities, foundations and philanthropic organizations, is generally positive, confidence in financial management of charitable organizations has suffered since September 11, 2001. In a study released by Paul C. Light of NYU Robert F. Wagner Graduate School of Public Service in October of 2005, following the controversies related to the disbursement of funds for victims of September 11, 2001, the surge in giving spurred by the tragedy had quickly diminished by December of the same year. Furthermore, Wagner states that "in addition to the loss of any potential surge, confidence (in financial management) fell dramatically during the first quarter of 2002, and remained fixed at the lower level through the sum-

mer."⁴ In a Harris Poll conducted on November 28, 2005 on attitudes towards non-profits after Katrina and the tsunami (Poll #86), the public was divided fairly evenly between those that feel the non-profit sector is on the right track (34%), those that feel the sector is on the wrong track (30%), and those that are unsure (37%).⁵ To further expand upon these feelings, when the poll specifically asked "based on what you have read, seen or heard about the response to Hurricane Katrina, how has your opinion of America's non-profit organizations been impacted? Do you view non-profits...?", 27% of respondents felt more positively, 19% felt more negatively, and about 54% remained the same. Light translates these feelings to the bottom-line- "charitable organizations have every reason

to worry about the current level of confidence in their organizations, especially given the relationship between confidence and giving and volunteering."⁶

Added to the objective numbers provided by polls are allegations that both the Red Cross and the Humane Society of the United States misused some of the millions of dollars, resulting in the dismissal of 3 Red Cross employees and inquiries by the Louisiana Attorney General's Office.⁷ And while these allegations draw further attention to where donations are actually being used, they are but a small part of the greater scrutiny and desire for greater oversight currently being felt by charitable organizations and non-profits nationwide. As Light discusses, only 19% (Continued, Page 11)

Cost Projections

- **Emergency Financial Assistance**
Amount Spent: \$1.450B Projected Cost \$1.554B (73.4%)
- **Food and Shelter**
Amount Spent: \$224M Projected Cost \$227M (10.8%)
- **Physical and Mental Health Services**
Amount Spent: \$3M Projected Cost \$7M (0.3%)
- **Additional Red Cross Support**
Amount Spent: \$32M Projected Cost \$35M (1.6%)
- **Hurricane Recovery Program**
Projected Cost \$198M (9.4%)
- **Fundraising/Management and General Expenses**
Amount Spent: \$78M Projected Cost \$95M (4.5%)

Total projected cost: \$2.116 Billion

Figures as of January 31, 2006

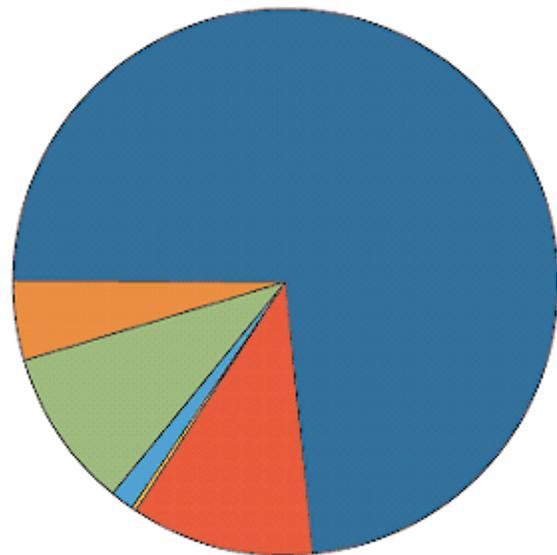


Figure provided by the American Red Cross in their report, "Challenged by the Storms: The American Red Cross Response to Hurricanes Katrina, Rita and Wilma", retrieved from <http://www.redcross.org/sponsors/drf/stewardship/HurrStewRep06.asp>.

Panelists Discuss Foreign Investment, CFIUS at GMU Event

On Friday, April 28, the CIP Program hosted a panel discussion on the Committee on Foreign Investment in the US (CFIUS). The panel consisted of leading thinkers on the CFIUS issue, including three authors from the CIP Program's recently released CFIUS monograph (link: http://cipp.gmu.edu/archive/CFIUS_monograph.pdf).

The panel was moderated by Prof. William Lash of the George Mason School of Law and consisted of Dr. Edward M. Graham, Senior Fellow, Institute for International Economics; David Marchick, Esq., Covington & Burling; The Hon. Patrick Mulloy, Commissioner, United States-China Economic and Security Review Commission; and Kristen Verderame, Esq., Chief Counsel, BT Americas and VP, Commercial, Legal & Regulatory BT Global Services.

Panelists reflected on the various bills currently before Congress, as well as the recent Dubai Ports World case, looking at CFIUS

from historical, economic, legal and private sector points of view. The debate was spirited as regards the role of foreign investment, trade policy and investment strategy (both foreign and domestic), and the need to protect US security and competitiveness. Some panelists argued that CFIUS has worked well as is and should be left alone before it causes undue damage to foreign investment, an important part of the US economy. Others argued that foreign competitors are gaining dangerous access to US expertise and knowledge, potentially undermining long-term US competitiveness. Each panelist brought considerable CFIUS-related experience and insight to the table. Important questions were raised such as: Should CFIUS apply equally to all foreign nations, friend or foe? Should there be some similar oversight of domestic industry involved in critical infrastructure? Can we measure the marginal increase in risk of a foreign-owned company as regards critical infrastructure? Perhaps more fundamentally,

At the conclusion of the panel discussion, participants heard a lunch keynote address from Stewart Baker, Esq., Assistant Secretary for Policy for DHS.

Assistant Secretary Baker

gave an insider's perspective on the CFIUS process, something he likened to "a fish's perspective on fishing." He took participants through the events surrounding the Dubai Ports World case, and discussed moving forward with the CFIUS process and its impact on US security. The opportunity to hear first hand from a key player within DHS was well received by participants.

The event proved to be an interesting and insightful morning thanks to the quality of the keynote speaker, panelists and moderator. Attendees represented a wide range of CFIUS and homeland security stakeholders. The CIP Program wishes to thank all who took part for their time and support. ❖



Stewart Baker, DHS Asst. Secretary for Policy, delivers keynote address.



Panelists discuss their experiences with foreign investment.

And regarding CFIUS specifically, where should the chair be located?

Trust and Verify - A Survey on Public Confidence in CIP

by Christine Pommerening, CIP Program

Who do people trust - and who do they blame - when it comes to providing critical infrastructures and services? What do citizens and customers expect from public officials and private sector leadership - and what do decision-makers need to know about the expectations of the public at large? These questions were addressed in two surveys (one nationwide, one for the Washington, DC area) conducted by Professor Todd M. La Porte for the CIP Program.

Public confidence in government, emergency response and recovery agencies, and critical infrastructure service providers is vital to assuring order and calm in the event of large-scale disruption due to extreme events, either terrorist attacks or major natural or technological disasters. Trust is also the foundation of the social pact between citizens and the state - the social capital of society.

This also means that weakened

or destroyed public confidence in the most critical public and private institutions would likely lead to diminished support for public policies, lower private investments, and result in calls for political and institutional reform. Thus understanding and measuring public confidence in public and private institutions is vital to the successful design and implementation of new policies of securing infrastructures.

The following major findings give an impression of the public opinion regarding CIP and related homeland security issues. This state of mind explains people's perceptions of government and private sector performance, and can help anticipate the response to disasters such as Hurricane Katrina.

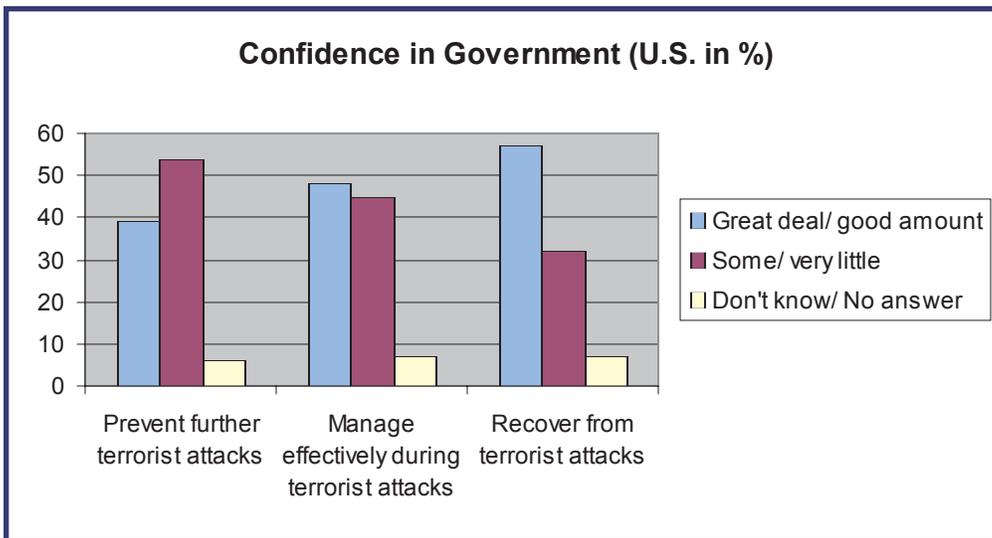
1) Public experience with terrorism and disaster: The terrorist attacks experienced in the National Capital Region (NCR) have left their mark on the public: 46 percent said that their lives

have been somewhat or significantly changed as a consequence. 61 percent said that the DC-area sniper shootings also changed their lives. But severe weather and major essential service outages were not far behind: 37 and 39 percent said these types of events changed their lives. National averages for these events were markedly lower.

2) Public preparations for emergencies: Between 50 and 90 percent of both the NCR and the nation believe they have adequate preparations for a short period of interrupted services, such as having battery-powered radios, emergency medical supplies or food and water for three days. Nearly twice as many residents of the NCR, 48 percent, have specific emergency plans compared to the rest of the country. About 40 percent of people in both the region and the nation have no plan for communicating in the event of a disaster, and the majority (*Continued, Page 10*)

Confidence in private utilities to help prevent, manage and recover from terrorist attacks

| | A great deal or a good amount | Some or very little | Don't know/ Refused |
|---|-------------------------------|---------------------|---------------------|
| <i>United States</i> | | | |
| Prevent further terrorist attacks | 22 | 68 | 9 |
| Manage effectively during terrorist attacks | 34 | 57 | 10 |
| Recover from terrorist attacks | 47 | 45 | 9 |
| <i>National Capital Region</i> | | | |
| Prevent further terrorist attacks | 20 | 74 | 6 |
| Manage effectively during terrorist attacks | 22 | 68 | 9 |
| Recover from terrorist attacks | 34 | 57 | 10 |



Trust and Verify Survey (Cont. from Page 9) have neither discussed nor made any plans at all for meeting or evacuating.

3) Public confidence in essential or critical infrastructure services: About 40 percent of respondents nationally and regionally are not confident about the reliability of electric power and standard land-line telephone services. Fewer were concerned about water, cell phones and television, and natural gas. Radio instilled the most confidence of all essential services. At the same time, from 33 percent to 62 percent of respondents in the United States said they could go for a week or more without one or more critical infrastructure service. NCR results were about 9 percentage points lower in each category than results from the country as a whole.

4) Public willingness to pay for increased service reliability: Only a relatively small percentage of people say they are willing to spend a good deal or even twice as much or more to assure critical infrastructure services. Water (11 percent), electricity (10 percent)

and access to health care facilities (16 percent) are the services for which the largest number of people would pay extra. Within the NCR, however, almost twice as many respondents are willing to spend a good deal or somewhat more to keep critical services functioning reliably than nationwide - but overall still less than one quarter of the population.

5) Public trust and confidence in government and homeland security agencies: 63 percent of the US population, and 58 percent of the NCR, trusts the "government in Washington" only some of the time or never. Respondents vary considerably in their confidence in local, state and federal agencies: local emergency medical units enjoy the greatest confidence, at more than 80 percent, while the Department of Homeland Security, and its agencies (Customs and the Transportation Security Administration) have the lowest ratings, at about 30, 20 and 25 percent, respectively. The US Coast Guard however, which is also part of DHS now, received very high marks of more than 60%. And at the time of the sur-

vey, FEMA received positive evaluation from about 45 percent - but this was before Hurricane Katrina.

6) Public trust and confidence in non-governmental emergency response agencies: Of non-governmental organizations, the Red Cross was seen favorably by 71 percent nationally and 69 percent regionally. NCR residents see local community organizations, such as a local food bank or homeless shelter, in a poorer light than their national counterparts do: 61 percent nationally vs. 37 percent regionally have a great deal or a lot of confidence in such organizations.

7) Public trust in protection, response and recovery activities: The majority of national and regional respondents think that the prevention of terrorist attacks is difficult—54 percent of the nation and 62 percent of the region has only some or very little confidence in the government to prevent further attacks. Managing the response during an event is somewhat better regarded, and long-term recovery is regarded better still: 57 percent of the nation and 54 percent of the region are confident in the government's ability to help recover.

For more detailed results from this survey, as well as findings from other studies on the state of infrastructure and community resilience in the National Capital Region, please refer to the project website at <http://cipp.gmu.edu/ncrproject> ❖

Charities (Cont. from Page 7) of Americans believe that charitable organizations do a very good job running their programs and services, only 11% believe money is being spent wisely, and 66% believe that these organizations waste a great deal or fair amount of money.⁸ Although organizations such as the Red Cross provided greater transparency in exactly where donations are being spent, not all organizations provide such measures of accountability, a move that many feel is required to rebuild the shaky trust that currently exists.

With these polls showing that a substantial portion of the American public lacks confidence that charitable organizations are on the right path, the impact on giving has yet to be seen. If giving is impacted, we may face a reality where the non-profit response to disasters is far less than it has been previously, for even if giving jumps in response to a particular

event, the infrastructures of these organizations may be too withered to support the types of mobilization efforts seen post-Katrina. And while \$2 billion may seem like a drop in the bucket compared to the federal response, 34 million meals, 30 million snacks, 500,000 beds, and the 1.4 million families that received emergency financial support from the Red Cross would beg otherwise. Perhaps we'll know better the full impact made by charitable contributions when non-profit volunteers fail to arrive on the disaster scene, but we simply have to trust that day will never come. ❖

¹ Department of Homeland Security. *Hurricane Katrina: What Government is Doing*. <http://www.dhs.gov/interweb/assetlibrary/katrina.htm>

² American Red Cross. *Challenged by the Storms: The American Red Cross Response to Hurricanes Katrina, Rita and Wilma*. <http://www.redcross.org/sponsors/drf/stewardship/HurrStewRep06.asp>

³ National Philanthropic Trust. *Philanthropy Statistics*. http://www.nptrust.org/philanthropy/philanthropy_stats.asp

⁴ Light, Paul C.(2005, October). *Rebuilding Public Confidence in Charitable Organizations*. Public Service Brief, Brief #1, p.2. Retrieved May 4, 2006 from http://wagner.nyu.edu/news/wpb1_light.pdf.

⁵ Harris Poll #86, November 28, 2005. Retrieved from http://www.harrisinteractive.com/harris_poll/index.asp?PID=615

⁶ Light, Paul C.(2005, October). *Rebuilding Public Confidence in Charitable Organizations*. Public Service Brief, Brief #1, p.4. Retrieved May 4, 2006 from http://wagner.nyu.edu/news/wpb1_light.pdf.

⁷ Salmon, J.L. (2006, March 26). *Red Cross, Humane Society Under Investigation*. *Washington Post*. Retrieved May 4, 2006 from <http://www.washingtonpost.com/wp-dyn/content/article/2006/03/25/AR2006032501002.html>.

⁸ Light, Paul C.(2005, October). *Rebuilding Public Confidence in Charitable Organizations*. Public Service Brief, Brief #1, p.1. Retrieved May 4, 2006 from http://wagner.nyu.edu/news/wpb1_light.pdf.

Legal Insights (Cont. from Page 5) more difficult for foreign companies to invest in the US. Of course, this is a good thing as regards those companies looking to do so for nefarious reasons (i.e. inappropriately obtaining technology or access to the US). But for the vast majority of companies that are simply looking to maximize their profits and generate wealth, this will hurt the US by blocking the positive economic effects produced by such companies. Furthermore, too large a role for Congress can only serve

to strangle any deal in its infancy. Indeed, there are those who see the Congress' lost trust as nothing more than a ploy to regain influence in a process that can have huge economic impacts on lawmakers' constituents. It is this kind of interplay that makes some business leaders quite wary of a too-active congressional role.

It is a careful balance that must be struck between security and economic openness in regard to foreign investment. If the bene-

fits of that balance are to be maximized, a high degree of trust and confidence amongst the branches of government involved and the American public is crucial. Whatever legislation finally settles in, let us hope that it will serve to restore public trust and confidence and do so without greatly damaging foreign investment and the important role it plays in the US economy. ❖

¹ February 27, 2006, see http://www.cbsnews.com/htdocs/pdf/poll_bush_022706.pdf

The White House report, *The Federal Response to Hurricane Katrina*, is especially rich with detailed recommendations on developing an appropriate public affairs strategy. Recommendations, many of which are included below, detail a wide range of changes that must take place as part of the National Response Plan. These include each of the following:

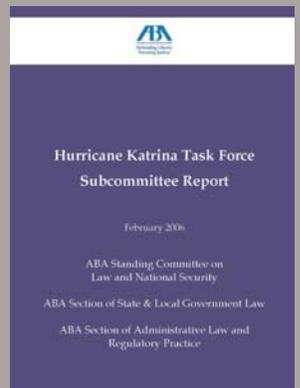
- DHS should revise the NRP to improve the Public Affairs Support and External Affairs annexes to ensure a better coordinated, more effective response.
- DHS should revise standing operating procedures, command relationships, training, organizational structure, and communications between Federal Public Affairs Offices (PAOs) and their State and local counterparts.
- DHS should revise the NRP to delineate a clear structure for a fully coordinated, integrated, and synchronized public communications strategy, across the Federal government and with State and locals.
- DHS should establish rapidly deployable Public Affairs teams, able to operate self-sufficiently, in austere conditions. These deployable Public Affairs teams should be established across all Federal departments and agencies with key Homeland Security responsibilities. These teams should be capable of providing Public Affairs assistance within hours to incident locations. These teams could be used to form the Incident Joint Information Center (JIC). All Federal departments and agencies with domestic operational responsibilities should establish programs to use embedded media where appropriate.
- DHS should expand Federal partnership programs with State and local Public Affairs Officials (PAO).
- Develop a Public Communications Coordination capability for crisis communications at the White House. Designate a senior White House Communications official to be responsible for the Homeland Security Council and crisis communications portfolio. In close collaboration with DHS' Office of Public Affairs, this official would be responsible for:
 - ◆ Coordination of public communications and public affairs within the homeland across all relevant Federal departments and agencies;
 - ◆ Establishing a permanent strategic communications capability, to facilitate messages to the public, the media, and all departments and agencies;
 - ◆ Developing a national public communications and public affairs strategic plan;
 - ◆ Develop "Risk Communications" to communicate pre-incident expectations to private citizens. This may be carried out by identifying credible spokespersons who can frequently update the public on preparedness, current threats and crisis communications.
- DHS should establish an integrated public alert and warning system in coordination with all relevant departments and agencies.
 - ◆ Federal, State and local levels of government must have the means to communicate essential and accurate emergency information to the public prior to, during and after a catastrophe.

Source: *The Federal Response to Hurricane Katrina: Lessons Learned, Recommendations 73-77*, February 2006. <http://www.whitehouse.gov/reports/katrina-lessons-learned/>

Sources on Public Trust (Cont. from Page 4) that are clear, unambiguous, and coordinated across multiple stakeholder communities. The Federal government's NRP, for example, outlines a process to ensure multiple organizations are singing from the same sheet of music, in tune, and at the right tempo. However, lessons learned from Hurricane Katrina, captured in the American Bar Association's (ABA) Katrina Task Force report, pinpoint the lack of clear legal guidance in disaster legislation so that Federal and State officials are directed to coordinate such messages. This lack of legal process arguably led to a public display of disagreement and blame, which undermined trust and confidence in significant ways.

The **Financial Services Sector Coordinating Council (FSSCC)** provides guidance to over 20,000 financial institutions on the development of business continuity plans for an influenza pandemic. Paragraph 14 of the statement suggests that "effective communication strategies during a catastrophe are essential to maintain employee morale and to inform external parties, such as regulators, customers, suppliers, counterparties, and the public of the condition of the organization and measures that are being undertaken to address any potential disruptions in critical operations." FSSCC notes that some financial firms have "crafted carefully worded statements to be distributed via emails, press releases or postings on intranets or websites in the event of an "avian flu" outbreak."¹⁷

The **ABA Hurricane Katrina Task Force Subcommittee Report** assesses laws and regulations at Federal, State, and local levels to determine authorities under existing laws including if and how these authorities coordinate and cooperate during all stages of emergency management. The report also reaches conclusions and recommendations to guide legislators, regulators, and responders as they prepare for future catastrophes and emergencies. The report stresses the need for the private sector and government to jointly communicate clearly and consistently with the public. The authors suggest coordinating messages across Federal, State, and local jurisdictions and pre-planning collaborative processes and messages in advance of a catastrophe.⁸



4. *Proactively manage fear.*

Managing fear is at the core of public trust and confidence. A review of public and private sector strategies, plans, and guidance reinforces the importance of considering not only employees, but also customers, suppliers, and vendors. From a public sector perspective, officials reassure and calm anxieties. The principal focus of these recommendations is the necessity to anticipate fear and anxiety, dispel rumors, and minimize the spread of misinformation. Plans should account for these issues and needs.

5. *Implement public awareness programs in areas where the public is potentially impacted by a hazard.*

Hurricane Katrina underscores the importance of community-based awareness programs. The Report of the Senate Committee on Homeland Security and

Government Affairs highlights the importance of outreach and education to the public. The report additionally promotes the value of community-based awareness programs and an obligation by government to coordinate messages consistent with these programs. The House of Representatives Bipartisan Report includes similar findings on the damage that occurred during Hurricane Katrina given the lack of a public awareness and communications program.

The White House's study of Katrina Lessons Learned offers an even more exhaustive list of changes for the NRP. If adopted, the recommendations would lead to a well-coordinated public awareness and affairs capability. ❖

**Lee M. Zeichner, President,
Zeichner Risk Analytics**

(Sources Continued on Page 14)

**Sources on Public Trust (Cont.
from Page 13)**

¹ Refer to <http://www.ncsconline.org/WC/FAQs/PubTruFAQ.htm> for additional details.

² Refer to <http://www.seab.energy.gov/publications/trust.pdf#search='Public%20Trust%20and%20Confidence>

³ Source: http://www.dhs.gov/interweb/assetlibrary/NRP_FullText.pdf

⁴ Source: http://www.whitehouse.gov/homeland/nspi_implementation.pdf

⁵ Source: <http://www.businessroundtable.org/pdf/20050503002CrisisPrepare.pdf>

⁶ Source: <http://www.businessroundtable.org/pdf/20050503003CEORiskMgmtGuideFINAL.pdf>

⁷ Source: <http://www.fsscc.org/reports/avianflu.html>

⁸ Source: http://www.abanet.org/natsecsecurity/scolns_hurricane_katrina_report_feb_2006_2.pdf

The CIP Program is directed by John A. McCarthy, a member of the faculty at George Mason University School of Law. The CIP Program works in conjunction with James Madison University and seeks to fully integrate the disciplines of law, policy, and technology for enhancing the security of cyber-networks, physical systems and economic processes supporting the nation's critical infrastructure. The CIP Program is funded by a grant from The National Institute of Standards and Technology (NIST).

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