Learning from Crisis:
Lessons from the World Trade Center Response

A Research Symposium Panel Transcript Summary

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The Issues

The experience of September 11th was not an experience that government sustained by itself. Rather, it was an experience that crossed the public, private and nonprofit sectors and holds lessons for organizations of all kinds and sizes. In June 2004, the Center for Technology in Government (CTG) at the University at Albany, SUNY, put together a panel that represented these different perspectives.

The panel focused on ways in which the World Trade Center experience has, should, or might influence all organizations in what we now call "normal times."

The following is an overview and an abridged transcipt of the panel discussion.

The Moderator

Sharon Dawes is the Director of CTG, which is an applied research center devoted to effective public sector information strategies. As Director, she is responsible for programs, projects, and public-private-academic partnerships that encourage innovation, reduce risks, and enhance the quality and coordination of government operations and public services. The Center is a winner of the Ford Foundation *Innovations in American Government Award*. Before founding the Center, Sharon was Executive Director of the New York State Forum for Information Resource Management and Associate Commissioner at the NYS Department of Social Services.

The Panelists

Larry Knafo is First Deputy Commissioner for the Department of Information Technology and Telecommunications and Deputy Chief Information Officer for New York City. Larry has had a career inside and outside of government in New York City, working at the Health and Hospitals Corporation, the New York City Fire Department, the Mayor's Office of Emergency Management and DoITT. He was among the select group of people responsible for creating the Office of Emergency Management and he was instrumental in formulating its information and communication strategies. He also led the city's Y2K effort and within 72 hours of the attack on the Trade Center, he led the city in the development of the Family Assistance Center and the substitute Emergency Operations Center on Pier 92.

Peter Levin is the Dean of the School of Public Health here at the University at Albany where he's created a bioterrorism response plan for 63 campuses of the SUNY system and received a million-dollar disaster preparedness center grant from the Center for Disease Control. Peter's career has been spent on the cutting edge of medical provision policy and quality of care issues. He has held academic, administrative, and executive appointments at universities and medical institutions across the country, including some time at the New York City Department of Health.

Karen Schimke is currently President of the Schuyler Center for Analysis and Advocacy, which is more than a century old. It is a nonprofit, nonpartisan, public policy and advocacy organization working to improve health and human services. Karen has served as Executive Deputy Commissioner for both the New York State Department of Health and the New York State Department of Social Services and has spent her entire career as an advocate for families and children.

Steve Kos is from HSBC Bank USA where he has been for the last 23 years. He is currently a Senior Vice-President in Operations for risk and support services. He is responsible for programs of operational risk, corporate contingency, operational administration, internal communications,

branch operations and others. His primary focus is risk management, including operational risk and institutional contingency planning.

The Discussion

Sharon Dawes (CTG, Moderator): *I'd like to start with Larry Knafo and ask you to compare what passed for normal operations before September 11th and what normal operations look like today. What are the most obvious changes, and what things do you think should change but haven't?*

Larry Knafo: I think there's clearly a presence of business continuity, at least across what we're doing in the city. Concepts of business continuity are present in most of the projects that we do today, especially in the technology area. We really see people focusing on what's required to keep systems running. We've made a real focus of determining those systems and projects that are mission-critical versus those that are not.

When we did Y2K planning, we looked at everything and came up with tons of business processes and systems that we wanted to put disaster recovery in place for. But what we found during September 11th was that eighty percent of those plans were not needed. We didn't need to worry about the Landmark Preservation Commission being up and running after September 11th; it just didn't matter. We did need to make sure that paychecks were distributed to employees and that health systems were running and that OEM could operate. So we really started focusing on those things that are critical and necessary to running the City versus what's not.

Karen Schimke: I think it's interesting to contrast what I might call "macro-preparation" and "micro-preparation," in terms of children and child care, for example. During 9/11 and during the following days and weeks, children suffered a tremendous impact from these disasters. There were situations where parents of children were never able to come to pick them up, or children had to be quickly evacuated and then trying to figure out how they would connect with parents. Most of the child care centers in New York City and DC probably didn't have any kind of preparation whatsoever before 9/11. They had no idea what they would do if something really terrible happened.

There was time afterwards when the child care centers in New York City and the groups that work with them began to try to lay out some of the elements of a disaster preparedness plan. Where do the kids go? How do we connect up with parents? Do we have a second emergency telephone number? What happens if parents don't show up? Because many, many parents at the Pentagon simply never showed up for their kids. We know of many stories where child care directors and other providers just kept children with them, took them home without knowing how to proceed. The child care community looked to the state to provide some help and leadership. The effort got started, but it petered out.

They weren't able to sustain the effort to come up with a level of planning preparedness that you need to run a childcare center. And that's just one small sector—a very important sector to children and their families.

Peter Levin: The mission of the Centers for Public Health Preparedness is to develop educational programs and training for public health and first responders. They have developed a course for school teachers and school administrators on emergency response because there has to be more knowledge and preparation at the school level. We offered this training in partnership with the School of Education here at the University at Albany this summer, and only five people signed up and then two dropped out. We made the investment in a joint enterprise with Education but to me it symbolizes what Karen said.

The Centers for Disease Control, who funds us, was thrilled that we were doing this. Other centers from across the country asked to share it with us. But if people don't think they need this, this is a huge issue. If our schools are not ready yet to learn how to handle the next incident, we're going to be in trouble.

Steve Kos: The whole event and what happened at our bank, and throughout the private sector, made business continuity become more of a strategic issue. I can focus on the large financial

institutions here but I think it's true in middle market companies and even in small companies. You have an awareness now of the importance of being prepared, the importance of thinking outside of what I'll call "traditional business continuity and disaster recovery." Historically, we would think of that as a fire in our building or water damage in a building, and we'd have to move our people out for some period of time. 9/11 moved that way of thinking off the table. Now we think about threats, managing our risks from wherever they may come, and thinking about loss of our critical people—not just loss of one of our critical facilities or one of our critical IT systems.

As a result of this strategic shift, there's a real attention in the boardrooms. Senior management—the new CEO of our institution—talks about our preparedness and our readiness on the business continuity and disaster recovery front. He has major concerns about the safety of our people, our customers, and our ability to keep our business going. He is concerned about terrorist threats, power outages, and so forth.

So every time these events happen, I think we've learned lessons from them and we've responded to those lessons.

Quality and Availability of Information

Moderator: *Many people in our research talked about the quality and availability of information for them to do their jobs and networks that would get information out to them. And they had both positive and negative things to say about them. People told us that information is an asset that needs a lot more attention and investment. Peter, what do you see as happening in the area of public health information?*

Peter Levin: Well, the New York State Department of Health has a series of networks that enable hospitals to communicate with the department. County health departments can communicate over a special secure Health Alert Network. The idea is to be able to know what's going on; where there are hospital beds, what the blood supply is. These are the kinds of networks that are used regularly already.

This has reached a fairly sophisticated level and there are even health departments in their own networks in New York State that are near one another where they can quickly give information about communicable diseases and so on. I think all of this will go forward. And I gather, since the Internet seems to have stayed up during 9/11, that it has more redundancy built into it than I imagined.

I'm always very leery of these networks because unless the hospital personnel are using them all the time, they won't be effective when the red light goes off. It's always going to happen at the wrong time of the day or night, and the person who knows how to do it isn't going to be there. Clearly you've got to have these information systems with people using them all the time and being familiar with them for them to work in a time of crisis.

Larry Knafo: This is one area I think we've actually made huge improvements. I would have to separate information networks into those that help us support our day-to-day operations and those that are information networks with the public. We've actually made some improvements in both of these areas.

One of the things that's happened after September 11th is that there has been a move to get together between the state, local and municipal governments and start sharing data. The upcoming Republican National Convention has been a great catalyst to help us talk with the state and federal government about security around Madison Square Garden and the whole area of the Convention. And we've been working with the Metropolitan Transportation Authority on building subway maps and really starting to share data.

The other end of this that I think is even more important is the communications networks that we have with the public. This is where we've made the most improvement. The implementation of 3-1-1 (information telephone hotline) provides us with an immediate mechanism to get information out to the public. That, combined with our Web site and the media, is obviously the biggest source of information. There are many little webs connected: 3-1-1 connects to the Emergency

Management Office, the Emergency Management Office connects to all of the hospitals in the city, and to all of the agencies. By bringing all these groups together, we have the ability to move information around in a very efficient manner.

We tested this network during the Staten Island ferry crash. It was our most significant incident since September 11th where we had missing people. We had people being brought to hospitals and there was no tracking mechanism in place. We created a family assistance center for the second time since September 11th, and we were able to get somebody to the scene, relay information back to OEM through the 3-1-1 to the public, and share the information with the police department. The public really benefited from that; we handled a lot of calls.

Steve Kos: What Larry said about New York City is very true. We connect to their Web sites—we get information from the New York City Office of Emergency Management every day. New York City has done good job. In the case of New York State Office of Emergency Management, we are getting some very good information flow going back and forth there. But it's still piecemeal. The quality of information depends on where you reside in the private sector and who on the public side you're dealing with.

Challenges for Small Organizations

Moderator*: Something that Peter said reminds me of one of my favorite quotes from the 650 pages of transcript that we have from our interviews; "the things you want to do in an emergency, you have to do every day." It doesn't do any good to have special systems that you only turn to once in a while. You have to do every day the things you need to be able to act on quickly.*

Nonprofit organizations are usually small. They are often quite vulnerable to sudden changes in their environment, whether it's funding or other conditions. And we saw from our research on the World Trade Center that small businesses have similar challenges. Are small organizations changing their strategies? Do large organizations, large businesses and government, have any responsibility to help them?

Karen Schimke: I'm sure it varies a good bit. I've not heard of or seen much changes in the child care arena. For example, I would expect them to be thinking in terms of mergers or building collectives that would enable them to come together as a group more easily. But I haven't seen that kind of change.

If you're too small, can you really go it alone? What about economies of scale and all those linkages and connections? I haven't seen that kind of coming together among small not-for-profits. New York City has an unbelievable number of them. They range in size from staffs of five or seven all the way up. They lack financial capacity; they don't have the data capacity either. I've often thought that larger organizations, whether business, larger not-for-profits or government, should have the responsibility to reach out in a mentoring kind of relationship so that small organizations could have more capacity.

Steve Kos: I agree with what Karen said for small businesses. Large businesses don't have a choice in what we have to do, because we're highly regulated and the government puts out practices that we have to abide by. And they audit us because they're concerned about the impact one or more large financial institutions might have on a particular market. So we build in that redundancy and invest that capital so that we don't disrupt the financial markets. As a result, we have multiple staffs doing the same jobs in multiple sites that we can leverage.

Smaller companies are at a disadvantage here and they have limited capital. For them to go it on their own is pretty tough.

Practice, Practice, Practice

Moderator: *Are there a set of core principles or three things you could write on the back of an envelope that would help you achieve eighty percent of what you need to do and think about in terms of business continuity?*

Steve Kos: Yes, I think there are. And I probably mentioned a couple of them already in terms of business continuity and disaster recovery being a strategic issue for large companies. Our senior management has to own it, as does our board of directors. In the past that wasn't the case. They have to set that tone at the top; we have to get everybody involved every day thinking about it to keep it alive.

The threat analysis that I mentioned to you—there are so many things that can happen and you just have to keep thinking of the unknown, the unforeseen, because chances are those things will happen sooner or later. So we like to do a lot of that hypothetical, you know, within a bank we actually sit around and we will push that around with a particular business. And we will take a look at all the adverse events that took place in a particular industry and related to a certain business and maybe make some changes as a result.

Also, establish a crisis management committee. We had a business continuity committee involving all the businesses, but this was at a higher level. The crisis management committee is a very small group of our senior management team that will come together if something happens around the world. When we had bombings in Istanbul, Turkey, we had our team together at 4:30 a.m. in the morning talking that through and understanding what impact it had on HSBC Bank here in the U.S.

And if I had to say anything, it's practice, practice, and practice at this committee level and at a business level. It's very important to do your contingency testing. You've got to have somebody who knows business continuity and disaster recovery to make sure that the testing is well thought-out and well conducted. And whatever gaps come about as a result of those tests are monitored and closed.

Moderator: *Larry, do the same principles apply in government?*

Larry Knafo: I tend to tie business continuity to technology at large and I see some of the same mistakes being made across both.

One of the key things is to focus on what is critical to the business, not to the technologist. I always look at the technologist as the guys with the hammer and every problem that they see is a nail, and they're going to hit everything with that hammer. And that's the wrong approach to take towards technology business continuity. You need to know what the business needs to do and how to support it.

In the City we have a little bit of a problem in that we think we can do anything because of our size. September 11th reinforced that because we were able to respond so well and so quickly. The City really can come together and move mountains. But if we start to think about these things ahead of time and start to drill and practice, then we can get together and move the same mountain and not have everybody working on their own mountain. It is about practicing and putting the concepts that you have in place, and practicing them all the time.

Peter Levin: It's clear that we have got to drill. In my old hospital administration days, we always hated the drills but we had to do it for accreditation. But it was always very interesting because you did the drill, you planned and then the nurses figured out how to get around the obstacles that were there. And it always interested me that that was really what happened.

But unless the hospital administrator and the police chief have met each other, the time to be exchanging cards isn't when you have four hundred casualties. It involves law enforcement, the business community, hospitals, and they have to work together a couple of times a year so they know each other, and how to work together, and whether somebody's radio works on the other side of the mountain. And I don't see any way around this except through drilling.

Interorganizational Relationships

Moderator: *That answer introduces our next subject, which is the relationship among the public, private, and nonprofit sectors in the response and recovery. Have we taken away long-lasting lessons from this? Are relationships better? Do we work better across sectors than we used to?*

Karen Schimke: Going back just before September 11th, the New York State Legislature had passed what was called a "bare-bones budget" and left with huge rancor. And right after September 11th, the legislature came back and everybody dragged their arms over everybody else's shoulder and said we are going to be friends forever. Well, about two months later that learning was gone. And if you look at this year's legislative session, you would know how far gone that it is.

The more concrete thing I wanted to mention is one of the things that New York State and the city did to respond to the needs of people in New York that needed health care. They created and expedited emergency Medicaid capacity that included an increase in eligibility, so those people could get Medicaid, as well as an expedited application with very good enrollment counselors with terrific translation services and a lot of word-of-mouth and good public relations. In four months 350,000 people were enrolled in Medicaid, many of whom had tried previously, probably were eligible, but had not been able to get in because of the bureaucratic processing. The application went down from something like 13 pages to one. People like me; we had such hopes from the learning from the 9/11 emergency Medicaid. Guess what? Not one single thing has changed in Medicaid enrollment or eligibility. And so, no, I haven't seen the kinds of institutionalized changes either within a single system or across systems that we all thought was going to happen.

Larry Knafo: The Family Assistance Center was a great example of how we had all of these great organizations—the Red Cross, Salvation Army, Safe Horizons, and dozens of groups—dedicated to helping the victims and the families of September 11th. They were all in one location and a family member could come in and make the rounds between all of these organizations. The only problem was that there was no coordination between the organizations. What one organization was doing may have completely contradicted what another one was doing. So we need to get somebody taking a leadership role and getting the human service groups together, the transportation groups, all the different groups to start working together.

Volunteer emergency response—I remember in the first two days after September 11, we had hundreds and hundreds of people showing up at the Javits Center and at Piers 92 and 94 wanting to help. And there was no coordination. It was just masses of people showing up and there was just no way to control that. There was no way to organize them. So we really need to start looking at coordinating in the smaller areas. Otherwise, it is just like herding cats.

Procurement Challenges

***Moderator**: Larry, I'd like you to comment on procurement because it seemed that so much material was made available so quickly and what happened after that?*

Larry Knafo: Procurement was a major challenge for us. When we were building Pier 92 and 94, we did something like thirty-two million dollars of purchasing within the first two days. We were flying Cisco equipment in from California to build networks. Motorola was flying radios in from Florida. We were building computer systems; we were building facilities; we had people going to Pottery Barn and saying, "I need all the couches that you have" because we wanted to make family rooms in the Family Assistance Center. Anything you could think of, we bought. There was no structured way to do this, so we had a lot of IOUs and we had people saying that "I represent the city, I'm authorized to take this from you, we will pay you later." And it's sad but there are still vendors today that are trying to get paid for things that people just don't know whether or not were ever provided. And that is a huge problem.

One of the things that we have done in the city is put a contract in place where we have one vendor that we can turn to in the time of emergency that will do purchasing for us and manage all of the purchasing. They'll be responsible for implementing an inventory system to control how this arrives and whom it gets assigned to.

Final Thoughts

Moderator: *I want to ask each of you to take a minute to sum up your strongest impression, your most important lesson, or the most far-reaching change that your organization should or did experience in this crisis. What did it teach us? What should it have taught us that is a lesson for ordinary times?*

Steve Kos: The event put a focus on the strategic nature of business continuity and risk management. It wasn't that way before 9/11, but it became that way after 9/11.

The other thing that is important here is that specialists in risk management point out weaknesses to senior management. I'm not afraid to do that. That's my job. I will try to provide them with some alternatives. But they always come with a price tag. These days it seems like they will pay the price tag if it makes sense and it helps build resiliency in our systems. And so my job has become much easier in that regard. The thing I worry about is whether I will be able to sustain this attention.

Karen Schimke: One of my observations is—both over the short term and over the somewhat longer term—the impact all of this had on staff. Many mental health professionals, for example, were seeing a severely traumatized people and were really struggling with sustaining their own motivation, right after.

I happened to be in the city that day with a colleague, and when we received word it threw their organization into a complete tailspin. Why? Because they had a staff person who had lost her husband in the earlier World Trade Center attack and so everything was revived. And things that happen locally, much smaller things like the power outage had tremendous impact on people, or things that happen elsewhere immediately revive all this flood of experience and memories. And I think it underscores the need to think organizationally about helping the helper, about providing support to staff, about sustaining the ability of people who have had to do terribly tough things to keep on doing it day after day after day.

Peter Levin: Practice. People have just got to practice and you have got to talk across organizations and disciplines. You need the police and the ambulance attendants and the people who are used to emergency situations telling you what they need and how to do it. And unless you move it up across organizations, I just don't think you get the interconnectedness and the kind of planning that you need to deal with a major event in a community.

Larry Knafo: We have an amazing group of people in the city that know each other and know the right people to call to get things done. The problem is, you better hope that the person that you know can get you a back hoe or whatever you might need in an emergency, is available right then. We have got to start spending a lot more of our time writing that information down so that when the three people that you rely on leave city government, there's somebody else that you can call. A formalized plan enables you to start to get ahead of these emergencies and be more proactive.