

Foreign Policy Association  
**GREAT DECISIONS *SPECIAL EDITION***  
A THOUGHT PROVOKING COLLECTION OF OP-ED STYLE  
ESSAYS BY LEADING POLICY MAKERS AND EXPERTS

**AMERICA** *in the*  
**WORLD 2020**

Edited by Noel V. Lateef and Michael R. Auslin

FOREIGN POLICY ASSOCIATION GREAT DECISIONS *SPECIAL EDITION*



Russell A. Berman  
Nicholas Burns  
William J. Burns  
Richard H. Clarida  
Abby Joseph Cohen  
David B.H. Denoon  
Larry Diamond  
Elizabeth Economy  
James O. Ellis, Jr.  
Niall Ferguson  
Jeffrey E. Garten  
Victor Davis Hanson  
William A. Haseltine  
John D. Hofmeister  
Robert D. Hormats  
Sarwar A. Kashmeri  
Costis Maglaras  
Harley McAdams  
Michael McFaul  
H.R. McMaster  
Joseph S. Nye, Jr.  
Evans J.R. Revere  
William R. Rhodes  
Kevin Rudd  
Lucy Shapiro  
Paul J. Sheard  
Joseph E. Stiglitz  
John B. Taylor  
Michael Hao Wu

To reserve your copy visit:  
[www.fpa.org](http://www.fpa.org) or call: 800-477-5836

## Memorandum for the Next President

**From: Jeffrey E. Garten**

**Subject: Managing U.S. and Global Catastrophes**

*This memorandum is designed for the winner  
of November's presidential election.*

**E**ven though the COVID-19 pandemic rages in the United States and the wider world, it is not too early to ask how America should best deal with the full range of *future* catastrophes that threaten us. That includes not just public health crises, but also massive hurricanes and flooding, earthquakes, cyberattacks, conventional terrorism, bioterrorism, radiation and chemical calamities, financial meltdowns, and the existential challenge of climate change. The focus of this paper is on building a stronger domestic capacity to deal with mega-disasters. However, that capability is also a prerequisite for the extensive international role that America must play.

### Woefully Unprepared

At the outset, we should acknowledge that the United States has a wealth of talent, knowledge, and experience in dealing with disasters. Our assets and potential are extraordinary. If we combine the resources of federal, state, and local governments, including the specialized crisis management expertise of the Federal Emergency Management Agency (FEMA), the Centers for Disease Control and Prevention (CDC), the U.S. Agency for International Development (USAID), the National Guard, and our armed forces abroad, just to take a few examples; if we add

---

**Jeffrey E. Garten** was U.S. Under Secretary of Commerce for International Trade from 1993 to 1995. He is currently Dean emeritus at the Yale School of Management, where he teaches courses on the global economy and crisis management.

to that the early warning systems of the Intelligence Community, the capabilities and dynamism of our companies and nonprofit organizations, and the depth of research and knowledge in our universities—if we put all that together, the landscape for confronting big disasters looks impressive.

It would seem, therefore, that the United States should be able to effectively manage almost any catastrophic threat. But sadly that's not true. We lack vision, strategy, integration of effort, organization, and accountability. In addition, we woefully underinvest in what should be one of our highest national security priorities.

In the months before the terrorist attacks of September 11, 2001, for example, a national commission predicted what would happen, but the administration ignored the warnings, and the nation was totally unprepared. Not long before Hurricane Katrina, in the summer of 2005, officials in New Orleans ran a scenario that foreshadowed the upcoming calamity with eerie accuracy, but no preventive action was taken. In the run-up to the 2008 global financial crisis, the Treasury and the Fed ignored all the warning signs of out-of-control debt and dangerously opaque financial instruments, then wrestled with a crash and a painful ten-year economic slump that caused misery for millions of citizens. In the Deepwater Horizon Oil Spill of 2010, the contingency plans were not worth the paper they were written on, and massive environmental damage ensued. A pandemic of some kind was predicted over and over since the late 1990s, yet it's hard to imagine how we could have been more unprepared, or how the government could have fallen so far short in its response. In every one of these cases, American failure to manage a catastrophe was legion, and its cost to human lives, property, and the broader economy was tragic.

## **Key Building Blocks for a Better Approach**

It should be obvious that the next president must accord enhancing U.S. capabilities in this arena among the highest national priorities. Here are some of the key points any serious effort should encompass.

**First, we must accept the fact that global disasters will become part of the landscape, rather than episodic once-in-a-generation, or once-in-a-century events, as they are usually considered. It used to be that we thought of mega-disasters as low-frequency/high-impact events, but now they must be categorized as being high-likelihood/high-impact. It follows that we must dramatically increase our skills to deal with them in three stages: before they occur, as they unfold, and afterwards.** Our growing vulnerability to tragedy on an epic scale is guaranteed by vastly increased population density in urban centers, many of them near the coasts; by the

depth of domestic and international networks that globalization has created; by advanced technologies in the hands of malevolent governments and evil private groups; by climate change and all the collateral damage it will bring; and by the increasing tenuousness of international cooperation in an era of growing nationalism.

**Second, we must recognize that as different as various catastrophes can be, they have much in common, and they require certain generic capabilities for successful combat. These capabilities must be more highly developed nationally and at the state and local levels.** Yes, pandemics, hurricanes, cyberattacks, and bioterrorism have different characteristics. But all require being able to imagine and plan for the most extreme scenarios. All require understanding how to develop and stress test an effective contingency plan. All require state-of-the-art early warning systems. All require coordination among emergency crisis managers at all levels of government, with particular emphasis on where most of the work gets done: at the local and neighborhood level. All require close cooperation between public officials and the private sector. All require understanding of how to use the latest technology to predict disasters and respond to them, including big data, artificial intelligence and satellite surveillance. All require crisis communications skills, including ways to get information to poor people in remote areas. All need extraordinary leadership that can operate amidst great uncertainty and personal stress. And in our increasingly interdependent world, managing catastrophes often requires serious collaboration with allies and international institutions.

**Third, we must understand that we cannot prevent all catastrophes and that assuming 100% deterrence is a dangerous and expensive delusion. Instead, we must devote a substantial amount of our resources to protecting what we hold most dear and to prioritizing recovery efforts.** In other words, we must concentrate as much on resilience of our most precious assets as on averting the threat itself. We can't protect everything, and so we must choose what we must safeguard before a crisis hits. Not surprisingly, determining precisely what to protect—that is, which assets to “harden” or which ones must be recoverable in very short order—will be the same whatever the origins of the crisis. For example, we will always need to protect the energy grid, critical financial networks, and irreplaceable supply chains. We need always to identify which communication and transportation nodes are key to protecting and regenerating the broader systems underlying our economy. To do this effectively, we need the capability to examine the interdependencies of systems, the critical nodes that constitute the crossroads of different kinds of infrastructure such as the intersection of transport and energy systems.

**Fourth, any credible effort would require a long-term horizon for planning and for substantial public investment in reinforcing social safety nets, critical infrastructure, emergency stockpiles, and training for the men and women who will shield the nation.** The short-term perspective of administrations and Congresses today, not to mention the partisan divides, mandates separating out as much of our disaster management apparatus from America's dysfunctional politics as possible.

**Fifth, U.S. disaster management must have a strong international focus, consistent with the ever larger role that global catastrophes should play in a U.S. foreign policy that is consistent with maintaining peace, shoring up the world economy, and projecting the full range of America's values.** In the past, we have had much to be proud of when it comes to international efforts, from providing large-scale assistance to reduce the spread of HIV/AIDS, to helping control diseases like Ebola, to providing relief for typhoon victims in the Philippines, to assisting earthquake survivors in Haiti and Nepal, to helping refugees, and to being big supporters of international institutions such as the UN Office of Humanitarian Affairs and the World Health Organization. But an "America First" mentality has recently reversed this outward looking strategy, as our go-it-alone COVID-19 pandemic actions show, and nothing less than a U-turn in foreign policy is now called for.

## **Pulling It All Together**

**Embodying all of the points above, we need a new institutional arrangement that is up to the monumental challenge.** Today, responsibility for disaster management is strewn across multiple agencies, including the Departments of Homeland Security, Health and Human Services, Defense, Commerce (where the National Weather Service is housed), Interior (home of the U.S. Geological Survey), and State. The specialized capabilities of these departments and other agencies should be enhanced. But there is an irrefutable case now for a new higher level oversight entity that would have a consolidated view of the nation's total capabilities, improve coordination, identify gaps in assets and capabilities, elevate communication, and help ensure that the country is better prepared for the catastrophes ahead.

A coordinating operation in the National Security Council, as existed in the Obama administration, may help, but it is not sufficient by a longshot. The range of key issues in managing global catastrophes is too broad to be handled by a small staff and would be lost amid the constant stream of the urgent and often politicized issues of the moment. Nor would it work just to beef up an existing Cabinet department. These departments are generally a political arm of the president, and ultimately they are too easily engulfed in turf wars with their peer organizations.

Instead, what is needed is a new organization that has some features of the Federal Reserve System. For the sake of illustration, let's call it the U.S. Disaster Prevention and Relief Organization—USDPRO. Like the Fed, it would be set up by congressional statute and have quasi-independent status in the government, ultimately responsible to the Congress. It would be governed by a dozen or so directors and a chairman, all appointed by the president and confirmed by the Congress for, say, staggered terms of ten years, thereby making it difficult for the executive branch to substantially control or otherwise politicize it. Because the Fed can make money from its financial transactions, it has an independent source of financing. USDPRO would need something like that, too, perhaps an appropriated trust fund of hundreds of billions of dollars that would make it independent of the annual congressional appropriations process, and also give it an investment capability (see below.) The Fed has some of the best economists and financial expertise in the country. The new institution would need to recruit an exquisite staff of crisis managers, infrastructure experts, risk modelers, technologists, futurologists, and diplomats. The Fed has a long tradition of working with its counterparts abroad; that, too, should characterize the USDPRO.

### **What Precisely Would USDPRO Do?**

For starters, it would *not* have operational responsibility. That must be left to the administration and its departments and agencies. Instead, USDPRO would be the key oversight organization and the center for creative and long-term thinking about disaster management in the United States. It would provide the information and insights that an administration and Congress could use to vastly improve our ability to manage mega-disasters. USDPRO would evaluate the readiness of various specialized agencies like FEMA, CDC, USAID and others to accomplish their stated missions, including their ability to work together. It would look at the adequacy of preparation by states and local governments, including their stockpile of emergency equipment and the strength and flexibility of their supply chains. It would evaluate certain critical nonprofit agencies, such as the American Red Cross. It would opine on the state of U.S. international assistance for disaster planning and relief, as well as coordination with governments and institutions. It would make recommendations for improved performance in all areas and at all levels. By statute, the chairman of USDPRO would be required to brief the full cabinet-level National Security Council twice a year. It would provide semi-annual reports to Congress, which would hold public hearings, just as the Fed does.

Here are examples of some of the specific questions USDPRO would address: Are we really prepared for a major earthquake on the West Coast, including its

collateral impact on the nation? What about the adequacy of plans for cities, ranging from New York to Miami to San Diego, when it comes to climate-induced coastal flooding? Are we ready for a cyberattack on our energy or financial systems? What is the state of our stockpiles and our most critical supply chains? Have we stress tested our crisis management systems for a simultaneous cascade of catastrophes, in the way Japan experienced a tsunami, earthquake and nuclear meltdown all at the same time in 2011? Is our public health system up to the next pandemic, which could come at any time? Do we have quick recovery capabilities in the areas that count most, no matter the origin of the crisis? (For that matter, have we even identified the assets that must be hardened *now*?) Do we have the right talent in senior crisis-management positions in Washington and the states? Is the government sufficiently plugged into the private sector and into American centers of research, and vice versa? What expectations should we have for readiness in corporate America, and what more should the private sector be doing? Is disaster management high enough in our foreign policy priorities, and are we allocating enough attention and resources to international calamities—spotting them in advance, working with other countries and institutions, etc.?

With its trust fund, the new organization would also be charged with supplementing other congressional funding to strengthen critical infrastructure that could be impaired by a catastrophe. It would have the ability to co-fund or guarantee bonds for long-term projects without worrying that a new administration or Congress would cut off the flow of appropriations because of the political whims of the day.

USDPRO would be entrusted with keeping track of what went right and wrong with the response to each catastrophe that hits the United States. Today, no one in the government catalogues all these lessons. No comprehensive institutional memory exists that can be made available to crisis managers in the United States and abroad, and there is no synthesis of what was learned in one kind of crisis that could be useful in another kind. This is an egregious management defect.

Another goal of USDPRO would be to provide seed funding for education and training of a cadre of men and women skilled in thinking about and managing global catastrophes. In the early days of the Cold War, universities and think tanks gave extraordinary attention to nuclear weapons technology and strategy. Toward the late 20th century, the fields of international trade and finance flourished. In the future, recurrent large-scale disasters will become a central feature of modern life in our fragile, highly stressed and hyper-connected planet. Efforts should be made to make dealing with disasters a discipline that can be studied and researched, as well as a valued profession.

Had USDPRO been up and running for the last several years, what difference could it have made? Let's take COVID-19 as a case in point. Well before the pandemic, USDPRO could have sounded the alarms for the White House, Congress, and a broad swath of American citizens about the pathetic state of the public health system in America, including the chronic lack of funding and the deterioration of stockpiles of essential medical equipment. As soon as the news from China emerged last January, USDPRO could have been elevating warnings about the possibility—indeed, the extreme likelihood—of a massive epidemic in the United States. It could have convened the governors and mayors, together with the CDC and others, to run through scenarios of what could happen and what kind of response would be required. At the same time, it could have pressed the administration to call together the G7 and the G20 to mount a worldwide coordinated approach, including more sharing of scientific information, agreement on principles for keeping open vital trade routes for medical supplies, agreement on supporting generous assistance to developing countries, ways to bolster the activities of the World Health Organization (as opposed to leaving it), and principles for developing and distributing any vaccine that is discovered.

No one institution can oversee the full massive agenda inherent in the management of mega-disasters. Just to take one example, a major need exists to revamp our social safety net to provide economic and social security for large segments of the population, but that would exceed USDPRO's mandate. In the end, we need a highly competent, farsighted, and humane government to handle such issues. But USDPRO can fill in many other critical gaps.

## **Bottom Line**

There will be another terrorism attack of some sort. There will be another global financial crisis. There will be a disastrous earthquake on American soil. There will be a climate-induced catastrophe in several of our great coastal cities. There will be another pandemic. All will have major international dimensions. All will entail untold costs in lives and so much else that we need and treasure. The bottom line is the necessity to elevate management of mega-disasters to a level that vastly exceeds anything that has been seriously contemplated to date. There may be organizational alternatives to USDPRO, but not to the massive agenda of what must be done.