

# One Year After Katrina, Huge Rebuilding Task Remains

by Mary Jane Freeman

One year after the worst natural disaster in the nation's history struck the Gulf Coast, the monumental task of rebuilding the lives, communities, and economies demolished by Hurricane Katrina still remains. The hardest hit states—Louisiana, Mississippi, and Alabama—had high rates of poverty and underdevelopment, especially of basic infrastructure, before the storm, and Katrina's path of destruction only made conditions much worse. It is now for us, the living, to launch the "biggest rebuilding effort the world has ever seen," a vow President Bush made on Sept. 15, 2005, but has failed to keep.

Standing today in Waveland or Bay St. Louis, Mississippi, you would see a "war zone," one area elected official told *EIR*. Yet, Mississippi officials of various state agencies

report that schools and hospitals are open and road repairs are well under way. Another elected official from the region, aghast at this state official's picture, retorted that schools are open "in trailers" and hospitals are barely open. "We don't have a trauma center down here at all; we've lost 75-80% of our homes; and our hospital is back at 25% capacity. Anybody who gets seriously injured here has to be airlifted to either Ocean Springs, Mobile, or Jackson" hospitals, he said.

The wreckage across the 90,000 square miles of Alabama, Mississippi, and Louisiana is massive. The St. Louis Bay bridge—obliterated by the storm—**Figure 1**, connected the cities of Bay St. Louis and Pass Christian, Mississippi. It won't be replaced until May 2007 with two lanes, and November 2007 with four lanes. Thousands of motorists now take detours and fight traffic to get to their destinations. Several other bridges were wiped out and hundreds more were severely damaged across the region. Nearly 500,000 homes were destroyed or damaged, with the highest percentages of loss in Louisiana and Mississippi, **Table 1**.

As Lyndon LaRouche charged a year ago in an Aug. 31 press release, "Our 'Tsunami' Was Called Katrina!": Thirty years of destroying industries, farms, and basic infrastructure, and a zeal for cheap labor led to "third world-like conditions . . . proximate to the gambling paradises of Louisiana and other once-proud states. . . . These changes of the past three-odd decades, combined with a degree of negligence of the Bush-Cheney regime, is tantamount to gross, impeachable negligence. . . ."

New Orleans City Council president Oliver M. Thomas, Jr., speaking at a Washington, D.C., forum on Aug. 22, recounted the huge loss of life and infrastructure, and pointed to the axiomatic cause for the failed Federal action: "Some say the local community should

FIGURE 1

## St. Louis Bay Bridge, in Mississippi After Hurricane Katrina Hit



Kansas Adjutant General, [accesskansas.org](http://accesskansas.org)

*St. Louis Bay Bridge, obliterated by Hurricane Katrina, was the life-line between Bay St. Louis and Pass Christian, Mississippi. Now removed, two-lanes of a new bridge here will open in May 2007, and four-lanes by November 2007—two and a half years after the disaster.*

TABLE 1

## Catastrophic Housing Losses in Louisiana and Mississippi

Location	Owner-Occupied (%)	Renter-Occupied (%)	Total (%)
Louisiana	29%	35%	31%
Orleans Parish	76	67	71
St. Bernard Parish	75	97	81
Cameron Parish	84	127*	90
Jefferson Parish	50	58	53
St. Tammany Parish	71	68	70
Mississippi	21	22	21
Hancock County	82	121	90
Harrison County	62	78	68
Jackson County	61	73	64

\*Some percentages are above 100% as the denominator used was the number of housing units in 2000, which may be lower than the number damaged in 2005.

Note: These FEMA loss estimates are cumulative for 2005 Hurricanes Katrina, Rita and Wilma.

Sources: *GulfGov Reports: One Year Later*, August 2006; Rockefeller Institute of Government and the Public Affairs Research Council of Louisiana; *EIR*.

be prepared to deal with it. Well, then, what is the Federal government there for? . . . Were we expected to have the resources, experts to deal with the worst disaster in U.S. history? Anybody who expected us to do that is not coherent, sane, or alive. It sounds good. It is not reality.”

Before Katrina struck, poverty rates in Mississippi, Louisiana, and Alabama ranked first, second and fifth, respectively, in the nation in 2005. By the U.S. official (but wildly understated) poverty rate, 20 counties in the three states had 30-45% of their people in poverty. Dozens more counties were ranked very poor, and only 10 counties had poverty rates less than 15% **Figure 2**. Disaster has compounded the plight imposed here.

### Putting Profit First

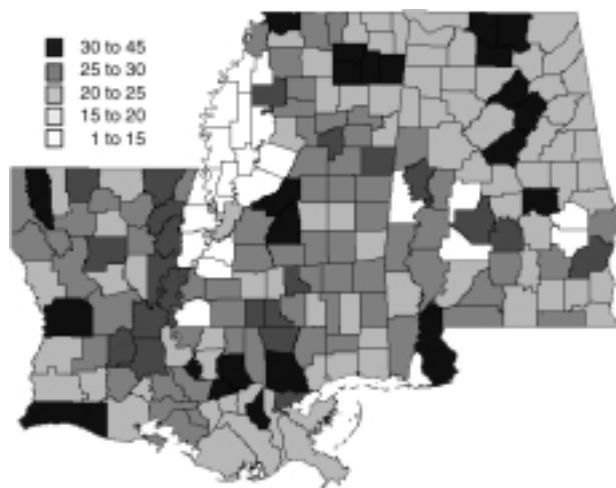
The negligence and non-reality has been amplified by Bush's appointment of big-time contributor and close friend, Texas banker Donald Powell, as his recovery czar. Powell, insists, “If the heavy hand of government impedes the private sector's proven ability to speed the recovery, it will take longer and cost more.” A year later, the private sector—for example, Halliburton, Shaw Group, and Bechtel—has done quite well by the Bush-Cheney regime, raking in billions of dollars in lucrative contracts for debris removal and some basic rebuilding, while less than 18% of FEMA contracts have gone to residents of the region.

The overall unemployment rate for still-displaced evacuees was 22.2%, as of August 2006, according to the Bureau of Labor Statistics. If all evacuees, including those who have the same residence as in August 2005 are added in, then the

FIGURE 2

## Hurricane Katrina Hit Three of Nation's Poorest States

(Official Poverty Rate, Non-Institutional Population, Percent: Louisiana, Mississippi, Alabama)



*In terms of how far their populations are below the U.S. median income, the storm-hit states of Mississippi (2.9 million people) ranks first in the nation (30% below U.S. median income); Louisiana (4.5 million) ranks second (22%); and Alabama (4.6 million), fifth (18%).*

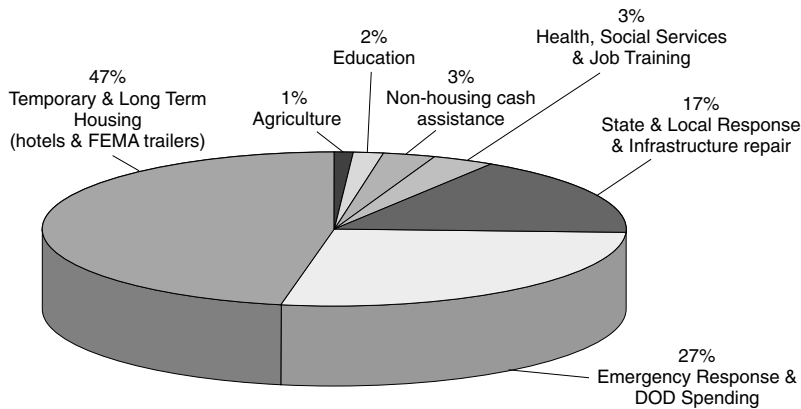
rate is 12.6%, or almost three times the official national unemployment rate of 4.7%. As bad as these numbers are, the reality is worse, because even the Bureau of Labor Statistics warns that its sample data do *not* “include . . . people living in shelters, hotels, places of worship, or other units outside the scope” of its population survey.

Powell's rebuilding plans are dictated by his market ideology, not the promotion of the general welfare: Do the “markets” deem it wise to rebuild affordable public housing or hospitals in New Orleans? Or what will bring the highest rate of return on destroyed port properties—transportation infrastructure for trade, or gambling casinos?

Permanent housing needs for hundreds of thousands of people are in limbo. Sewerage and water systems remain compromised. Citizens, and state and local governments have to use their energies arguing with Federal agencies, such as FEMA, and insurance companies, over whether their losses are the result of the hurricane, and if so, how much such losses are worth. A Mississippi state representative told *EIR* that 18,000 people from his district applied for rebuilding grants, but as of Sept. 15, 2006, only 66 checks have been issued! The Bush-Powell rebuilding is a misnomer. An August 2006 Brookings Institution report, “Special Edition of the Katrina Index: A One-Year Review,” shows that of the \$109 billion in Federal funds allocated, and not all spent, more than 74% is for debris removal and temporary housing **Figure 3**.

FIGURE 3

## Over 74% Federal Emergency Response Dollars Go to Clean-Up and Temporary Housing



Note: These funds go to five states, Texas, Florida, Alabama, Mississippi, and Louisiana, impacted by hurricanes Katrina, Rita, and Wilma.

Source: Brookings Institution, *Special Edition of the Katrina Index: One-Year Review of Key Indicators of Recovery in Post-Storm New Orleans*; EIR.

### The Job To Be Done: Build Infrastructure!

The conundrum is that without the underlying infrastructure—roads and bridges, sewer and water systems, schools, and hospitals—homes and businesses cannot be rebuilt, and people cannot return. “You need to fund your infrastructure first and then start building. You’ve got to do everything in tandem, but [Congress] doesn’t seem to get it,” remarked a representative of the Sewerage and Water Board of New Orleans (SWBNO).

Here is a glimpse of the huge job yet to be done:

- **Transportation.** Indicative of the infrastructure log-jam are the myriad complex problems in rebuilding the transportation grid. The Interstate 10 twin-span bridge, the key access in to New Orleans, which Katrina made impassable, is now patched together. To get building supplies into the city, this bridge is critical. Daily inspections of the patched-together bridge by engineers are required, as the increase of supply trucks puts unsustainable stress on it. Consequently, officials routinely close one bridge span four times a week for repairs!

This bridge and Mississippi’s St. Louis Bay bridge will be replaced, but completion is six to twelve months away.

Federal officials balk at covering costs for sub-surface damage to some key roads.

- **Water and Sewage.** The New Orleans water system of 1,600 miles of water mains, pumping stations, and fire hydrants sustained \$446 million of damage, the SWBNO now estimates. But FEMA will only pay \$113 million so far. FEMA deputy director for Gulf Coast recovery, Gil Jamieson, argues not only that the system is old, but too big for the reduced population of the city! So, Jamieson says, “How do

we not buy [the city] a completely new water and sewer system? . . . We want to give them what they deserve but . . . make sure they are not getting more than they deserve. . . .”

The system was old, needing \$640 million in repairs and upgrades before the storm. Because of litigation, the upgrades were under way. In 2005 there were 36 construction projects ongoing or completed and 24 design projects in full swing. But then Katrina struck, the levees failed, and the system was supersaturated for two months. SWBNO press spokesman Robert Johnson said, “The damage done to the system was so extensive that in order to maintain water pressure throughout the system,” we have to pump twice the demand. Some experts estimate that 85,000 gallons per day are being lost.

Mississippi’s Hancock and Harrison counties’ water systems likewise are in urgent need of restoration.

- **Flood control.** More than 220 miles of New Orleans’ key flood protection system,

the levees, were restored to pre-Katrina levels, but Congress authorized none of the needed improvements. The city lies below sea-level, as does most of the Netherlands where a nested series of advanced sea gates protects the country. The U.S. Army Corps of Engineers completed the repairs by August 2006 and is now to start to complete work—authorized in the early 1990s—to bring the levees up to a 100-year flood design level, which is not expected to be done until 2010! Clearly, for one of America’s oldest cities at the mouth of the nation’s crucial navigational waterway, the Mississippi River, Congress must authorize and fund an engineering feat comparable to the Netherlands’ system to protect our citizens and trade.

- **Ports and waterways.** Ports across the region sustained billions of dollars in damages, and they have relied heavily on private funds from their business partners and insurance money to repair critical infrastructure, bringing them back to 80-100% of pre-storm capacity. But support infrastructure, such as locks and dams on river systems into the ports, require Federal funds. A good example is the Inner Harbor Lock at the Port of New Orleans. Its replacement was authorized by Congress in 1956, yet it is not built! Some construction began in 1998, but Congress failed to sustain its funding.

Today, not having this lock, hampers 30% of the port’s terminals located on its Inner Harbor side. Until now, users on that side of the port used the Mississippi River Gulf Outlet, which had a 36-foot draft before Katrina. It is now silted in at 21 feet, preventing use by deep draft ships. The MRGO may be permanently shut, and at current build-out rates for the lock, it “will take another 5-10 years, assuming funds are

appropriated,” a port spokesman said. Completing the lock project obviates the need for the MRGO.

- **Agriculture.** Related to the ports are aquaculture and agriculture, both severely hit by Katrina. The Gulf of Mexico aquaculture value to the U.S. economy is about \$700 million a year. Storage and freezer facilities, marinas, and fueling stations at three major commercial fishing ports (New Orleans, Mobile, and Gulfport-Biloxi) had \$365 million in losses. Habitats, fishing grounds, and reefs had another \$104 million.

Destroyed boats number in the thousands. Half the number of shrimping boats in Mississippi are working this year as last. But the oyster harvest has been a disaster, down 50% because of beds lost. It wasn't until Aug. 25, 2006, that the Department of Commerce announced it would release a puny \$128 million for debris removal, and some seeding and rehabilitation in the beds.

Poultry and dairy farmers took big hits. Mississippi's poultry industry—the largest single agricultural industry in the state—was hammered twice by Katrina. First, Katrina completely destroyed 350 poultry houses and killed more than 7 million chickens. Then it destroyed the infrastructure at Gulfport, a key shipping point of bulk poultry to the world. Cold-storage facilities were wiped out, forcing the industry to send chickens far afield for shipping to Houston and Jacksonville, and tripling fuel costs. A year later, Gulfport is trying to rebuild its facilities with better cold storage warehouses and state-of-the-art blast freezers, but they await most of their insurance and FEMA settlements.

Dairy farmers lost entire herds of cows, the result of a combination of flooding, downed fences and barns, and road wash-outs that hampered rescue. Electricity loss was catastrophic, halting the necessary twice-a-day milking of dairy cows, and making it impossible to cool any milk that was produced. A year later, the dairy industry has not recovered. The quadruple whammy of Katrina, a multi-year drought, sky-high energy prices, and depressed milk prices have led perhaps 20% of the industry to fold up operations in Mississippi.

### Fractured Schools and Health Care

U.S. Rep. James Clyburn (D-S.C.) speaking from New Orleans on a national conference call on Aug. 29, the anniversary

TABLE 2

### One Year After Katrina, Half of Greater New Orleans Hospitals Are Open, Most Are Not at Full Capacity

Hospitals	7/1/2005		9/1/2005		1/1/2006		9/7/2006	
	Total	Acute/ER	Total	Acute/ER	Total	Acute/ER	Total	Acute/ER
Jefferson	15	6	3	3	10	6	14	6
Orleans	24	10	0	0	7	2	9	3
St. Bernard	2	1	0	0	0	0	0	0
Total	41	17	3	3	17	8	23	9

Staffed Hospital Beds	7/1/2005 All	9/1/2005 All	1/1/2006 All	9/7/2006 All
Jefferson	1725	644*	1535	1925
Orleans	2217	0	334	627
St. Bernard	138	0	0	0
Total	4080	644	1869	2552

\*Primarily due to limited staffing.

Note: Elmwood Hospital, not included in totals, is a temporary replacement for LSU Charity Trauma Center.

Sources: Louisiana Hospital Association as reported by local hospitals; *EIR*.

sary of Katrina's landfall, stated: "There is very little rebuilding taking place. Insurance companies are still fighting over wind vs. water damage. . . ." He added that he had just completed a tour of Mississippi and New Orleans: "Schools are still closed, hospitals are . . . the one we went into yesterday is inside an old Lord & Taylor department store; everything is makeshift. People are afraid to come back home. Housing is not here."

- **Schools.** Mississippi's damaged schools are open, but "in trailers," as one legislator told *EIR*, recounting that two elementary schools in Hancock county were demolished as unsalvageable. Two more in Bay St. Louis will likely be razed. But, he said, to rebuild requires FEMA money and they won't give it unless the new schools are built away from flood zones, an impossibility in Bay St. Louis and Waveland, which are situated on the coast.

Primary schools in two New Orleans area parishes, Orleans and St. Bernard, barely exist. Before the storm, Orleans had 124 public schools serving 56,000 students with staffing of 7,500. As of July 2006, 25 schools serving 12,000 students were operating, most no longer as public but as charter schools. Although school officials hope to have 50 schools open by Fall, this means that 60% are yet to be opened. In St. Bernard Parish, where only 4 or 5 homes out of 26,000 survived, and only 10,000 to 20,000 people have returned to see if rebuilding is an option, school officials hoped to serve 3,000 students, one-third of last year's student body.

Twenty percent of Louisiana's public community col-



*New Orleans' Charity Hospital, before Katrina struck. Adjoining it is the Tulane Health and Sciences Center of Tulane University. Today, only half of all hospitals in the city and surrounding counties are still open. Charity Hospital, which served the city's poor and uninsured, has been forced to relocate to a Lord & Taylor department store, because the hospital was so severely damaged.*

leges, universities, and technical schools suffered between \$500-600 million in damages, affecting tens of thousands of students. Whether to rebuild, what to rebuild, and where to rebuild are questions intertwined with repopulation and enrollment numbers, which in turn are dependent upon people's ability to rebuild.

"The infrastructure problems are huge," said Dr. E. Joseph Savoie, Commissioner of Higher Education for Louisiana's Board of Regents. Of the 19 seriously hit campuses, some have been repaired, some are operating out of trailers, and a few are totally destroyed. "Housing is a very serious challenge for the resurrection of our public campuses," he noted, as 90% of the students were local residents. To date, very little of the Federal funding has gone to education. Securing a future for these schools and students will require not only monies for the physical infrastructure, but also for faculty, and aid for students to encourage their return to school.

- **Health care.** Health care is fragile across the stricken parts of Louisiana and Mississippi. A big problem is the level of uncompensated care which both physicians and hospitals are providing. Given the economic losses of individuals and communities, only Federal aid can solve this problem. Both Hancock and Harrison counties in Mississippi have lost most of their physicians and many nurses, thereby reducing the number of available staffed hospital beds.

The physical plant and equipment is at only 25% capacity in many damaged hospitals. Flood plain issues again will play a role in whether FEMA monies will aid rebuilding.

In New Orleans, roughly 3,000 nurses and 2,000 doctors have left the four parishes of Orleans, Jefferson, Plaquemines, and St. Bernard. As **Table 2** shows, only half of all hospitals—public and private combined—are now open in these parishes. (Plaquemines had no hospitals before the storm, so is not included.)

The Louisiana Hospital Association could not say at what capacity—quarter, half, or full—the open hospitals are operating. But note that of the 23 now open, only 9 provide basic acute or emergency care; the others are specialty hospitals. And of these 9, 6 are in the least affected parish of Jefferson. Without a return to pre-1970 full health-care standards, ensuring a full complex of high-technology hospital care in every county, Katrina's wrath will be

Bush's excuse to downsize health care there.

### **Out of Disaster, Opportunity**

Out of disaster can come opportunity, out of which much good could come, were elected officials wise enough to seize it and launch a great infrastructure-building economic recovery of the Gulf Coast. Doing so, would simultaneously call the question on Congressional action to reverse the shutdown of the nation's auto sector; its skilled workforce and machine tool plants could be retooled to ensure mass production of component parts for such a rebuilding effort. Instead, Bush and Congress have dickered over dollars for the Gulf and refused to address the auto crisis.

Had the bipartisan initiative of U.S. Senators Judd Gregg (R-N.H.) and Ted Kennedy (D-Mass.)—encompassed in bill S. 1863, the Gulf Coast Recovery and Disaster Preparedness Act of 2005, designed to "rebuild and improve public infrastructure"—been enacted, it would have led to a plan and mobilization of national manpower and resources by of January 2006, with the rebuilding begun in earnest soon thereafter which, in turn, would necessitate the revival of the nation's manufacturing base.

*Christine Craig researched the agriculture issues for this report.*