

Memo #1: Managing Large-Scale, Time-Urgent Presidential Initiatives (by Dwight Ink)

***Abstract:** Presidents will invariably face a large-scale unanticipated event that is time urgent. This could be a natural disaster, a pandemic, or an economic crisis. In the past, these have largely been treated as unique, non-recurring events. But a review of such events over the past 60 years has identified common attributes of success. The key ingredients of success seem to be the individual chosen to lead the effort, a simple organizational structure, and streamlined operations that he or she uses to operate within. We recommend the President and Congress put in place several capacities in advance that will increase the chances of success when the nation faces its next large-scale, time-urgent event.*

Much of the public image of the federal government is that of a ponderous entity that lacks the capacity to respond nimbly or economically to major challenges. Not surprising, in view of our failure to handle the Katrina recovery, prevent the failure of our early attempts to help stabilize Iraq after our successful military operations, or our continuing failure to deal with the mounting debt and fiscal crisis. Yet, in a globalized and increasingly competitive world, major challenges cutting across departmental lines are increasing in magnitude and urgency.

Three Cases of Successfully Managed Large-Scale, Urgent Presidential Initiatives

Fortunately, failures such as those just mentioned are not difficult to avoid if we will profit from those cases in which we have found ways to overcome the typical obstacles to action. Three cases under very difficult circumstances illustrate how we can handle complex undertakings if we manage them properly.

Recovering from the 1964 Alaskan Earthquake. In 1964, the second most severe earthquake ever recorded devastated the portion of Alaska where most of the people lived. The surface shifted both vertically and horizontally over 55,000 square miles, making rebuilding the infrastructure above and below ground very challenging, and the short Alaskan construction season made the speed of recovery urgent. President Lyndon Johnson designated career executive Dwight Ink to lead the recovery effort. Working from the White House, he involved every significant federal agency. No Alaskan engineer believed the relocation, design, and construction of public facilities such as water and sewer systems, or the rebuilding of the fishing harbors on which the state economy rested, could be accomplished in the short construction season. Yet through innovative policies established by a cabinet-level commission and innovative project management administered by experienced career managers, the construction required to enable people to remain in Alaska was completed in record time.

Fixing the Y2K Computer Bug. Near the end of the 20th century, it became clear that a software coding decision made in the early years of the computer could prevent computers across the nation to move into the 21st century. President Clinton called upon an experienced manager, John Koskinen, to manage the transition. Many said it was too late, and the task too complicated to succeed, predicting horrendous consequences in both government and business operations. With the support of the President and OMB, Koskinen quickly organized the most massive interagency and intergovernmental coalition, together with businesses here and abroad. Rather than establishing a large organization with

numerous procedures, he created a small staff and worked out of the White House. He relied on existing agency personnel and streamlined procurement and other administrative systems so that he could move rapidly. Instead of the chaotic morass of confusion widely predicted, Koskinen skillfully mobilized the resources of all these organizations in achieving a remarkable success.

Implementation of the 2009 Recovery Act. The American Recovery and Reinvestment Act of 2009 involved the allocation of roughly \$800 billion – roughly equivalent to the size of the prior year’s domestic spending. This legislation included a mix of tax cuts, grants to state and local governments, and new federal programs. These covered a wide range of policy areas, including healthcare, science, transportation, and energy. Everyone involved in this complex effort was under enormous pressure to move the funds very rapidly to help stem the rising rate of unemployment. At the same time, Congress had required an extra dimension of external oversight that was not always conducive to rapid action. Prospects for confusion, bottlenecks, and scandals were believed to be high. The President designated Ed DeSeve, an experienced federal manager, to lead the effort. He was given a small staff and an office in the White House to organize a series of “managed networks” of stakeholders. These interagency, and intergovernmental, networks shared best practices, resolved misunderstandings, and created trust among a wide range of stakeholders.

Each of these three undertakings was regarded by many as impossible challenges. Each faced unprecedented levels of urgency, yet had no road map to follow. Each involved many, if not all, of the federal agencies, plus state and local governments and the private sector that had to work together. Each occurred under different Presidents and political environments that spanned a half century. Yet there were common attributes that were key to the success of these initiatives and are worth looking at for adaptation for future large undertakings.

Common Attributes of Successful Large-Scale Urgent Initiatives

Following are seven attributes that seemed to be present in most of the successful large-scale urgent Presidential initiatives over the past 60 years. These include:

Attribute 1: Experienced Leadership. Government experience is important for the political appointee selected to lead urgent undertaking in the event the political leadership is not provided by the President or vice President personally. Jim Webb’s leadership in leading the NASA moon landing project is a familiar example. Likewise, the leadership of John Koskinen and Ed DeSeve was key to the success of those initiatives. All three had significant prior governmental experience as the head of the management part of OMB. Operational leadership must be in the hands of a person with extensive governmental operational experience, such as a career leader.

Attribute 2: Transparency. Investing in the establishment of transparent operations saves time because stakeholders better understood the decisions, and opposition is reduced. For example, the Recovery Accountability and Transparency Board posted on-line every dollar spent under the Recovery Act, along with information on how it was spent. In the case of the 1964 Alaska earthquake recovery operation, every operating decision was made in public meetings where the public could ask questions, make suggestions, or register objections. Accountability was clear.

Attribute 3: Structural Simplicity. Each of these three cases used small, central organizations working out of the White House, rather than building large organizations. Their roles were to provide leadership and coordination of existing agencies, not to take over operations that could be performed by existing departments and agencies that had resources a White House group could never replicate, but would add complexity that would likely cost more and slow operations.

Attribute 4: Streamlined Operations. Similarly, each of the three cases gave priority to simplifying or bypassing existing processes and taking care to add very few new ones. Because of the size of expenditures, the Recovery Act had to develop some new operating procedures, which were required for fiscal accountability. In Alaska, the executive director, Dwight Ink, had tacit authority from the President and key congressional committees to modify, or even suspend, agency procedures that jeopardized the construction timetables required to rebuild public facilities before the short construction season ended. Contracting timetables were sharply compressed.

Attribute 5: Innovation. The combination of complexity and urgency forced each of these three undertakings to provide an environment in which innovation and creativity were essential. This meant careful selection of personnel possessing these characteristics. Prior government experience enabled the leaders to assess the level of risks that could be safely taken.

Attribute 6: Collaboration. Each of these cases relied heavily on collaboration among federal agencies, but even more importantly, collaboration across levels of government and sectors in the economy. For example, fixing the Y2K bug affected not only government at all levels but every sector of society – healthcare, finance, industry, and more. In addition, it affected governments and the private sector around the world. Only addressing the problem in the U.S. was insufficient because of the interdependence of the global economy. So that effort required a global reach.

Attribute 7: Interdependence. Concentrating on just one of the foregoing attributes would have resulted in all three cases failing. For example, in the case of the 1964 Alaska earthquake recovery example, the high levels of transparency, the extra provisions for internal and external oversight, and the emphasis on selecting highly qualified leaders, all contributed to the public acceptance of the dramatic streamlining of operating processes. Otherwise, this approach would not have been accepted by Congress and the media would have launched an array of distracting investigations.

The federal government's capacity to address large-scale challenges that require numerous agencies, as well as state and local governments and the private sector, has declined over the years. Several actions are suggested.

Recommendations to National Leaders to Ensure Capacity to Address Large-Scale Urgent Challenges in the Future

Following are four recommendations that the President and Congress should act upon to ensure the needed capacity is there when the next large-scale, urgent national challenge faces the nation:

Recommendation 1: Use the Career Service More Effectively. The President should rely more heavily on experienced senior career staff to lead large-scale initiatives. Too often, the mindset of incoming political appointees is that their task is to “gain control of the bureaucracy” rather than empower it to move Presidential initiatives forward. The more complex and urgent the government effort is, the more likely that this mindset could contribute to costly failures.

Recommendation 2: Institutionalize the Role of OMB Management Staff. The President and Congress should restore and expand an institutionalized management staff within OMB, but outside the budget process. This staff would be responsible for the design of large-scale management initiatives on behalf of the President. This would include efforts spanning levels of government and sectors of the economy. Presidents used to be able to rely on a cadre of career staff to organize large-scale initiatives, called the Office of Executive Management. President Roosevelt used it to establish and terminate World War II agencies; President Truman used it to organize the Marshall Plan; President Johnson used it to establish HUD and DOT, as well as organizing the Alaskan recovery; and President Nixon used it to launch a government wide organization and program streamlining agenda. The authority exists in OMB. However, Congress should raise its profile by institutionalizing and expanding the staff as it has already done in specialized areas such as procurement and information technology.

Recommendation 3: Restore Congressional-Executive Cooperative Arrangements. The current political climate is serious, but much could be done to restore cooperation on how government is managed as distinguished from the controversial issues surrounding what government is to do or not do. Much of the strength of the earlier Office of Executive Management resulted from reaching beyond narrow confines of budget processes to engage Congress and other actors in partnerships. This earlier management staff helped to establish special temporary congressional linkages in times of crisis. For example, President Johnson appointed a powerful senator, Clinton Anderson, to chair the cabinet policy commission for rebuilding Alaska. In addition, as reconstruction director, Dwight Ink detailed three experienced engineers from two congressional committees to serve as full time members of his staff, ensuring a constant flow of information between the two branches of government.

Recommendation 4: Pre-Authorize Emergency Measures. In times of crisis, special temporary arrangements should be authorized. For example, Congress should enact legislation that permits forwarding requests to Congress for authority to suspend certain categories of agency procedures for a specified period to expedite executive action. Transparency and reporting measures would be required, and some areas such as safety would not be eligible. In addition, Congress should modify its rules to facilitate congressional action during national crises, such as temporarily combining key members from several committees into a temporary committee. For example, during the Cold War, there was a House-Senate Joint Committee on Atomic Energy. Also an emergency, a Senate rule is needed to avoid filibusters during a crisis.