

Statement of William H. Hines

Testimony before the Committee on Environment and Public Works
United States Senate
Oversight Hearing on Hurricane Katrina and
Response and Recovery Efforts

November 2, 2005

Introduction

My name is William H. Hines, Chairman of the Executive Committee of the law firm of Jones, Walker, Waechter, Poitevent, Carrere and Denegre, L.L.P., and immediate past Chairman and continuing member of the board of Greater New Orleans, Inc., a public/private partnership that spearheads economic development initiatives for the ten-parish Greater New Orleans region. Additionally, at the request of Mayor Ray Nagin, I serve as the Co-Chairman of the Economic Development Committee for Mayor's Bring New Orleans Back Commission. I am grateful for the opportunity to appear before you today to discuss response and recovery efforts affecting the future of New Orleans.

It cannot be stated often enough. Hurricane Katrina was like no other hurricane before it – the cataclysmic storm caused unprecedented destruction and long-term interruption to governmental services and economic activity. Never in the history of this Nation has a three-state area been hit so hard nor has an entire major U.S. metropolitan city been evacuated for weeks on end.

And while Katrina occurred over two months ago and seems to be largely fading from the front pages of our Nation's newspapers, the lives of the citizens of the greater New Orleans area have not returned to "normal". Many businesses in the region are generating little or no revenue, and are struggling to meet payroll, rent and vendor payment obligations. Small Business Administration (SBA) loan approvals are moving at a snail's pace. As of early October in Louisiana alone, more than 230,000 unemployment claims had been filed...16 times the normal volume. One additional but illustrative example of how life in the New Orleans region has not returned to normal concerns the U.S. Postal Service. Most regional businesses are still missing over a month of their mail. Without receipt of payment checks, vouchers, bills and other important and time-sensitive business documents, commerce within the region is significantly hampered. This backlog must be eliminated, and it represents but one area where federal assistance can help the regional business community.

On behalf of the citizens of New Orleans and the regional business community, I wish to highlight the regional economic activity that must be restored in the wake of Katrina.

Priority #1 – Restoration and Enhancement of Levee System

At the outset, I can assure you that the number one priority for the New Orleans business community is to obtain the firm assurance of the federal government and this Congress that adequate levee protection will be provided for the New Orleans region. Though you have asked that we keep comments concerning the Army Corps of Engineers to a minimum, I cannot leave this Committee today without highlighting this critical need for the business community.

We are extremely pleased with the assurances and actions to date provided by the Corps of Engineers that the levee system will be rebuilt no later than June 2006 to withstand Category 3 storms. However, the business community also needs assurance that the federal government will work as quickly as possible, with near-term timelines, to strengthen the critical levee system to withstand Category 5 storms. With this assurance, businesses both large and small will be provided with the comfort they need to invest and otherwise engage in business restoration efforts. Mr. Chairman, I respectfully request that your Committee and this Congress immediately provide the required statutory authorization and federal funding for Category 5 levee protection. The greater New Orleans business community looks forward to working closely with you in that vitally important effort.

Importance of Maritime Industry to Region

The very founding of the City of New Orleans was based upon the distinct and inherent advantages it provided, and continues to provide, as a port city for the Nation's maritime and trade industries. The Port of New Orleans serves as one of the Nation's key intermodal gateways for domestic and international trade. The geographic proximity of the Port to the Gulf of Mexico and the mouth of the Mississippi River makes it the ideal and central location for the inbound and outbound shipment of cargo. As a result, more than 6000 oceangoing vessels call on the Port annually. As a key transportation focal point on the Mississippi River, the Port of New Orleans serves as the primary hub for the shipment of cargo on the Nation's inland waterways system. Given the regional access to major road systems, including Interstates I-10, I-55 and I-59, the Port is perfectly situated to facilitate the highway transport of goods flowing through the New Orleans port region. Finally, the Port of New Orleans is the only port in the world with immediate rail access by six major national railroads, namely Union Pacific, Burlington Northern/Santa Fe, Kansas City Southern, Norfolk Southern, Canadian National, and CSX.

Hurricane Katrina completely shut down the Port of New Orleans. That total closure of the Port not only affected the economy of Southeast Louisiana, but also the entire Nation. In 2004 alone, more than 380,000 jobs in the U.S. were dependent on the cargo activity at the Port.

The Port is continuing to restore terminal and other services, and is now operating at approximately 40 percent of its pre-Katrina capacity. The Port of New Orleans is still struggling with a limited workforce and the ability to move the cargo in and out of the Port. Damaged terminal, warehouse and other Port facilities, and highways and rail tracks need to be repaired and/or replaced. The recovery of the Port of New Orleans, along with other city functions and

businesses, is tied to the problems of restoring the entire city. Without adequate infrastructure for longer term housing and family needs, workers will not be able to return.

But full restoration of Port services must be a given. With federal funding and other assistance, especially from the Army Corps of Engineers and the U.S. Department of Transportation, quickly restoring the Port and other ports in Southeast Louisiana to full operation will help return economic vibrancy to the area.

Tourism Is a Key Economic Driver for the Region

Mardi Gras. New Orleans Jazz Fest. Sugar Bowl. Annual business and other conventions. As reported by the New Orleans Metropolitan Convention and Visitors Bureau, these internationally-renowned events and activities, and the culinary, artistic, musical, and many, many other attributes of New Orleans, created a tourism industry within the region that supported more than 2500 companies with direct employment of approximately 81,000 people. Through that industry, direct visitor spending within the region was estimated at more than \$5 billion annually. Restoration of that industry is vitally important not only to the New Orleans region but also to the fabric of our Nation as a whole.

New Orleans is the birthplace of jazz. And as one Congressman recently observed, “New Orleans taught the country how to eat well.” New Orleans is a key part of the cultural and historical heritage of our country, and that heritage is largely responsible for the vibrant tourism industry enjoyed by the region. With federal funding support for the repair of damaged airport, highway, and other transportation services, with full restoration of other basic government services such as police and fire protection and utilities, and with other federal, state and local support, the tourism industry will return to the region. We must all work to ensure that it does return in order to provide additional economic development opportunities for businesses and citizens of the region.

Other Economic Initiatives of Importance to the New Orleans Region

The New Orleans region was working hard, with great success, in attracting other business and industry sectors to provide a more diversified economic base for the area. Though those efforts were interrupted by Katrina, in the aftermath of that storm, the business leadership of the community is even more committed to luring other business and industries to the region.

Biomedical/Medical. In New Orleans, 22 biotechnology firms had established businesses within the region, and more than 24,000 employees worked in the high-paying jobs within the New Orleans medical sector. Through Louisiana state investments in cancer research and gene therapy consortiums among Tulane University, Louisiana State University, and Xavier University, and in the state-of-the-art BioInnovation Center Wet Lab Incubator and other biomedical facilities, the New Orleans region was rapidly becoming a true biomedical research center on the Gulf Coast. Government and business leaders in the region want to continue these

efforts to preserve and enhance these scientific and medical activities and the economic benefits that they provide.

Oil and Gas, Chemical, Manufacturing and Other Industries. The Southeast Louisiana region is well-known as a center for the oil and gas and petrochemical industries. South Louisiana produces over a third of the Nation's domestic chemicals. Additionally, a third of the country's daily domestic oil and natural gas supply originates from the same region. New Orleans is fortunate to have major defense contractor manufacturing facilities within the region, including Northrop Grumman Ship Systems Avondale, Lockheed Martin, Textron, and Bollinger Shipyards, which employ collectively over 13,000 workers. The National Aeronautics and Space Administration (NASA) Michoud Assembly Facility manufacturers external fuel tanks for the space shuttle vehicles and certain parts for the Joint Strike Fighter. The largest coffee roasting plant in the world, operated by Folgers Coffee, is located within the New Orleans region. We must work to ensure that these industries remain to preserve economic and job opportunities for South Louisiana citizens. Additionally, and applying a concept that has worked well with the coffee industry, GNO, Inc. is working to expand local manufacturing job opportunities by encouraging appropriate businesses to locate factories and similar facilities near the Port of New Orleans, the source of imported materials such as steel, rubber, and plywood that would be used in their manufacturing operations.

Information Technology. Because of a number of Federal programs in the greater New Orleans region which employ several thousand people, the region has become a center of excellence for "back office" technologies as evidenced by the information technology work at the National Finance Center, the largest payroll center in the Nation, and the SPAWAR Systems Center, home to the Defense Integrated Military Human Resources System (DIMHRS). Additionally, strong public/private partnerships in unique research and technology activity provide strong economic and employment benefits through the University of New Orleans (UNO) Research and Technology Park, the UNO/Northrop Grumman Maritime Technology Center of Excellence, the Bioinformatics Center at Children's Hospital, and the Louisiana Optical Network Initiative. These activities are extremely valuable to the economic well-being of the region, and we continue to work closely with federal, state, and local officials and private entities to ensure the preservation of these businesses within the greater New Orleans area.

Conclusion

Bold recovery and other incentives are required to preserve business and economic opportunity in New Orleans and other affected Gulf Coast areas. Simply put, businesses will not return to the region unless the Administration and the Congress initiate strong, clear, definitive actions for regional recovery.

As the Co-Chairman of the Economic Development Committee for the Mayor's Bring New Orleans Back Commission, I am extremely dedicated to the task of working to obtain necessary assurances and incentives to restore the economic and business health of the greater New Orleans region. We are working closely with the entire Louisiana Congressional delegation, the Governor of Louisiana, and other federal, state and local officials on government funding and

other initiatives for the business community. It is clear that no recovery will happen without the support of the Congress to repair and enhance the New Orleans levee system and other public facilities and structures, provide appropriate federal funding assistance for recovery efforts, and enact significant and effective business tax relief and incentives to restore New Orleans to its place as one of the primary business, cultural, and historical centers of our Nation.

Mr. Chairman, I thank you again for the opportunity to address your Committee today. I look forward to working with you and your fellow Committee members on the economic and business recovery of the greater New Orleans region.

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In The News: Recently, New Orleans *City Business* carried a front page story profiling Hines as one of the leading economic developers in the City of New Orleans and the State of Louisiana. **To view the articles, [click here.](#)**

Mr. Hines is listed in *The Best Lawyers in America*® (Woodward/White, Inc.) in the areas of Corporate, M&A, and Securities Law, Financial Institutions and Transactions Law, and Real Estate Law.

Practice Areas:

[Commercial Lending & Finance](#)

[Insurance, Banking & Financial Services](#)

[International](#)

[Project Development & Finance](#)

Bar Admissions:

LA, 1982

Education:

University of Virginia School of Law, JD, 1982

Princeton University, A.B., 1978, Certificate of Proficiency, Woodrow Wilson School of Public and International Affairs (selective two-year undergraduate program); DeWitt Clinton Poole Memorial Prize Scholarship (granted by the Woodrow Wilson School for senior thesis research in Europe during the summer of 1977); Senior Class President of the Class of 1978

Memberships:

CORPORATE BOARD MEMBERSHIPS

Ochsner Clinic Foundation - Member of the Board of Directors (commencing 2003)

AWARDS

CityBusiness - *Leadership in Law Award* (2005).

St. Charles Avenue Magazine - *Activist of the Year* (2004).

Southeast Louisiana Chapter of the American Red Cross - *Humanitarian of the Year Award* (2003) - Recognized for his outstanding involvement in local philanthropy.

Family Service of Greater New Orleans - *Ten Outstanding Persons Honoree* (2002).

The Young Leadership Council - *Role Model Award* (2002).

Hispanic Chamber of Commerce of Louisiana - *Sanchez to Sanchez to Smith Award* (2002) - Given in recognition of an individual's active role with the Hispanic business community both locally and internationally.

St. Elizabeth's Guild - *Volunteer Activists Award* (2002) - Given in recognition of outstanding charitable, cultural, and civic volunteer services contributed to our community.

New Orleans Magazine - *People to Watch* (2002) - Given in recognition and appreciation of those who have assumed new and worthwhile challenges.

Victims & Citizens Against Crime, Inc. - *Award of Merit* (2002)- For awareness of the plight of crime victims, willingness to work with VCAC to resolve the problems of crime, and dedication to the citizens of Louisiana.

New Orleans Regional Chamber of Commerce - *The Joseph W. Simon Memorial Award* (2002) - The Chamber's highest honor.

Metropolitan Crime Commission - *The Philip L. Frank, Sr. Memorial Award* (2002) - Awarded to a civilian who exhibits the highest standards of personal and professional integrity and in recognition of the awardee's efforts to promote good government and suppress crime, corruption or unethical activities in the metropolitan New Orleans area.

MetroVision - *Leadership Award* (2001) - In grateful appreciation for outstanding support and leadership.

New Orleans Regional Chamber of Commerce - *Chairman's Award* (2001) - For exemplary volunteer performance.

PROFESSIONAL ACTIVITIES

American Bar Ass'n

Section of Business Law: ABA Business Law Section Committee on Banking Law; ABA Business Law Section Committee on Commercial Financial Services Subcommittee on Maritime Financing; ABA Business Law Section Committee on Partnerships and Unincorporated Business Organizations; Section of International Law; Section of Real Property, Probate and Trust Law; Section of Law Practice Management - Member of Publishing Advisory Board (1994-1996);

Maritime Law Ass'n of the United States

Committee on Marine Financing; Committee on Maritime Legislation;

Louisiana State Bar Ass'n

Section on Civil Law; Section on Corporation and Business Law; Section on International Law; and Section on Trusts, Estates, Probate, and Immovable Property Law;

Member of New Orleans Bar Ass'n

Member of Executive Committee of Young Lawyers Division of NOBA (1984-85)

