

STEWARDSHIP FORUM

Keynote Address Notes

Charlotte, North Carolina
November 14-15, 2002

Keynote Address

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- I'm a business executive who spends about 25 percent of my time on regional civic work. As I move more toward retirement, I find I'm typical of a group of emerging people in business that may have more time to become involved in regional issues.
- When I lived in L.A., working for Fox, I came to see that we were dependent on the presence of competitors in the region. The concentration of the industry delivered a work force, with, in many cases, the union shouldering much of the administrative burden. You'd assemble talent for a movie; they'd go out for six months and shoot one, and then the whole thing would disband. When we saw the digital scene emerging, we said, "Oh, these people can work in a broader range of industries, not concentrated just here." Place then became even more important. Think of it as marrying cluster economics with regional thinking.
- But not very many business executives think that way. The reason is that it's so time-consuming and they don't see the near-term payback. The exceptions tend to be in what's often called "stranded" industries – those that can't leave. So these issues get relegated to junior executives or the human relations staff, or maybe the real estate folks in the company who are worried about permitting issues. Most of the time, the focus is on how to relate to the public sector in ways that enlarge the "space" for the firm's operations. Companies with headquarters tend to be more active, because it's more difficult to move these. But with all the global consolidation going on, there are fewer of them, and those that survive are necessarily taking a more global view. Globalization makes executives more worried about international situations than local or regional ones.
- I think it's still possible, though, to make the case that high performance companies tend to operate in high performance regions. There is a relationship, but the case has to be made beyond intuitive judgment. Then, at the least, CEOs will assign some senior executives to pay attention to the region's agenda. But, these are hard issues—a lot of frustrations and barriers. You have to find some affordable avenues that have demonstrable impact. Maybe the proposition is: have this executive sit on these boards; or, we need seed money to underwrite this collaborative. They've got to be persuaded that it's not money poured into a black hole. Maybe they underwrite the services of some retired executives. Sometimes there is the patience gap – businesses get restless with the slowness of the public sector, which, in turn, isn't comfortable with the quick, short-term time horizons of the business world.
- Turning to Washington. As you know, our region has no real congressman or senator. The Federal city has no state from which to get support. We have 22 distinct law enforcement agencies within the district. The fundamental problem in DC is fragmentation. The key is how to drive some simplicity into the decision-making apparatus and to create connections between the public, private, and civic.

- We have about 5 million people, with only about 600,000 in the district itself. More than half the residents of Virginia and Maryland live in the DC region. We have the second highest household income in the country, after the Silicon Valley region. The region has 41 colleges and universities and the highest educational attainment in the country (over 40 percent with BA degrees). Professional services are our largest sector; manufacturing and high-tech are next. Income gaps are narrowing some; we have the fourth largest immigrant wave. So this is a wealthy, politically complex, well-educated place.
- We have a good Council of Governments that covers 18 cities and counties. The Board of Trade is a regional business organization that holds the annual Potomac Conference. Our Community Foundation is regional. The Federal government is the single largest employer and not engaged at all in the region. The Office of Personnel Management, the GSA (the largest landowner), the National Park Service, etc. have no interest in the region even though the region and the federal government share a destiny. Just like any employer, it needs a good region, but there is no awareness of this. The image of Washington as a government town can sometimes inhibit efforts to attract more private business.
- Add to all this the continued population growth translating into the daily lives of people less and less connected to jurisdictions. The problem shows up in transportation challenges, for instance. We just voted down a sales tax in Northern Virginia because folks think they're already paying too many taxes to Richmond, but this could undermine us in the long-term. Economic development and tourism are hurt as each community pursues its own interests, singly. People live in areas different from those where they are consuming services, producing fiscal disparities. Worse case may be the district itself.
- On top of all this comes 9/11. This produced an extraordinary amount of new boundary crossing. So how do you take a transformative event and transfer it to a wider range of issues?
- A crisis can save existing regional efforts, give them all a little rocket fuel. It raises public expectations that officials are going to work together, generating more political will. We need the foresight to design what we are doing so that it can be useful when a crisis comes.
- One powerful but simple organizing rule that we developed is that the first person/organization at the scene of a crisis is the one in charge. It also democratizes regional leadership because it prevents you from having to choose a leader among many people; the event chooses the leader. When that plane slammed into the Pentagon, the immediate responsibility belonged to the Arlington Fire Department, the first to arrive on the scene. They, of course, called on resources from the 17 other jurisdictions around, and then received backup from several states. The Department of Defense people were also there, plus the protective services of the federal government: All were reporting to the fire chief of Arlington, based on the rules in place. Such rules are powerful organizing forces.
- So when we have a sniper incident in Montgomery County, the chief of police there takes charge; then there are shootings in several other jurisdictions, but all of them end up reporting to the chief of police of Montgomery County. Also mutual aid agreements and unified command structures came into play.
- But there is also much potential for confusion. On 9/11, federal workers headed home. But some agencies had closed streets, or bridges, for security. There was no coordination, so it quickly became gridlocked. We had similar protocol questions when the anthrax threat emerged. Public health officials had no experience with either anthrax or with talking to each other.
- Polling before and after 9/11 show a marked change in people's tendency to identify with the "region." Public expectations of leadership were up, and with that, political will to act rose. We are beginning to learn a common vocabulary across sectors. Officials are more empowered to talk together. We set up a regional command and coordination system, through which all alerts are

communicated and shared. The rule is to alert people with every regional incident. These calls of course force people to talk. Last August, our two governors got together and had a summit to envision a fresh structure as a response; at least the states are now talking about the reality of the region. We are doing more field exercises now and holding workshops for media. We have many messengers, but one message.

Regional leadership lessons

- We have to find other ways to create a sense of emergency without being seen as crying wolf.
- Our leadership has to be flexible and improvisational. An incident command system turns out to be a way of democratizing leadership; you don't know what or where the next incident will be. We've learned that redundant leadership is very important.
- We are learning both to multiply coordinating mechanisms and make them simpler. Code Blue is now a regional language, even in schools. Eventually will get to laminated cards for individuals. We are trying to empower representative stakeholders to create a common business voice, common legislative voice, even getting a "regional" voice for the nonprofit community.
- Accountability and transparency. People feel forced to be more accountable because they have to say something publicly. There will be an office for capitol security within the Homeland Security structure.
- We are learning how to take some tools and extend them to other systems, such as economic development, or tourism. Maybe some jurisdictions are in the lead on an economic development issue, with others supporting. But everyone in the region would role in under the event leader. Make the identification of the leader is driven by the nature of the event. Could we use this model for our transportation questions?
- Regionalism is still the right path. We need persistence, patience, risk-taking, alliances, and peer-to-peer systems. All this is critical to the evolution of our democratic system in the 21st century.