

NATIONAL PRESS CLUB LUNCHEON WITH GAIL J. MCGOVERN

SUBJECT: ONE YEAR AFTER THE HAITI EARTHQUAKE: PROGRESS AND CHALLENGES

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB HOLEMAN LOUNGE, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: WEDNESDAY, JANUARY 12, 2011

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**ALAN BJERGA:** (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News and President of the National Press Club. We're the world's leading professional organization for journalists and are committed to our profession's future through our programming and by fostering a free press worldwide. For more information about the National Press Club, please visit our website at [www.press.org](http://www.press.org). To donate to our professional training programs, please visit [www.press.org/library](http://www.press.org/library).

On behalf of our members worldwide, I'd like to welcome our speaker and attendees at today's event, which includes guests of our speaker as well as working journalists. I'd also like to welcome our C-SPAN and Public Radio audiences. After the speech concludes, I will ask as many questions from the audience as time permits. First, I'd like to introduce our head table guests.

From your right, Nasir Ahmad, Executive Strategy Advisor for Humanity First in USA; Liz Skinner, a reporter for *Investment News* and a new member of the National Press Club; Geraldine Ryerson-Cruz, international news manager for World Vision; Sam Worthington, President and CEO of Interaction, and a guest of the speaker; David Meltzer, Senior Vice President of International Services for the American Red Cross and a guest of the speaker; Melissa Charbonneau with Newshook Media, the Speakers Committee Chair and an organizer of this event.

Skipping over our speaker for the moment, Suzy DeFrancis, Chief Public Affairs Officer for the American Red Cross, and a guest of the speaker; Rachael Ray of the

*London Daily Telegraph*; Edward Donahue, reporter for the Associated Press; April Ryan, White House correspondent and Washington bureau chief for the American Urban Radio Network; and finally, Brooke Stoddard, freelance journalist. (Applause)

Today is the one year anniversary of the earthquake that devastated Haiti, claiming more than 200,000 lives and destroying more than a quarter million homes leaving more than one million people homeless. Many Haitian families one year later still need food, shelter and sanitation. Survivors are living in tent camps marked by disturbing reports of violence. Debris clogs the capital of Port-au-Prince. Haiti's conditions have sparked calls from critics for tougher accountability of how donated funds are spent. Today's guest has been essential to Haitian relief efforts. As President and CEO of the American Red Cross, Gail McGovern heads the nation's largest disaster relief organization, one that raised nearly a half billion dollars for Haiti assistance. Last week, the Red Cross announced that so far, it has spent, or has signed agreements to spend, \$245 million on Haiti recovery efforts, more than half of what it has collected.

Haiti is a test for the American Red Cross as well. When she took the job in 2008, McGovern was the charity's seventh CEO in seven years, hired to restore the Red Cross's tarnished reputation and bottom line. Twice named among *Fortune* magazine's most powerful women in corporate America, the marketing and fundraising expert slashed expenses to cut the charity's \$200 million debt, working to regain the trust of donors who were wary from reports of Red Cross plans to divert 9/11 funds to other purposes and the charity's disorganized response to Hurricane Katrina.

Then, on January 12, 2010, which is also McGovern's birthday, the deadly Haiti earthquake struck. The day after the quake, she was diagnosed with breast cancer. As she began fighting her personal battle, as well as the battle for Haiti, McGovern launched the Red Cross's campaign to provide resources and assistance to Haiti's suffering quake victims. She's here today to discuss how the Red Cross is spending what it has raised for Haiti, to give an update on what it has accomplished and to lay out the challenges that lie ahead. Please welcome to the National Press Club American Red Cross President and CEO, Gail McGovern. (Applause)

**MS. MCGOVERN:** Thank you very much, Alan. I am really pleased to be back at the National Press Club. It's really quite an honor. And I'm grateful for the opportunity to be able to report out to you, and also to the public, about our operations in Haiti on this one year anniversary. I plan to talk about how the American Red Cross is putting your donated dollars to work, and I'll also talk about some of the challenges that we're dealing with and how we plan to move forward to help Haiti and its people recover.

But first, I want to point out that even though Haiti is by far the largest operation that we've worked on in 2010, it certainly isn't the only disaster that we've responded to, and it isn't the only thing that we've been focused on this year. The fact is that one in five people in the United States have been touched by the American Red Cross. But it's actually unusual for me to meet anyone that knows everything that we do. We respond to 70,000 disasters every single year, and we do this with volunteers who wear papers 24/7.

This past year, we dealt with major disasters in the U.S. as well, like the floods in Tennessee, or the tornadoes that hit the south and the Midwest, or the wildfires in Colorado. We are also there to respond to tens of thousands of single family house fires that happen each and every year and probably don't even make the evening news.

These seemingly "small disasters" may seem small, but if your family is impacted they're of epic proportions and we are always there. We're there to provide shelter, we're there to provide food. We're there to provide comfort and hope.

In addition to disaster response, we provide nearly half of the nation's blood supply and every single one of those ten million units were donated by a generous and selfless person who really wanted to save lives. We also work with members of the military, veterans and their families, by providing support and 500,000 emergency communications every single year. And that could range from delivering the news of a tragedy at home or to the video connection that we set up for a soldier who was deployed so he could teach his teenage son how to shave for the very first time.

We also teach life saving skills to about 10 million people every year. And it's unusual for a month or two to go by when we're not honoring somebody, an ordinary person who has done an extraordinary act. Recently, we honored a 17 year old young man who saved his three year old brother from choking because of his Red Cross training. The depth and breadth of all that we do still continues to amaze even me and it truly is a privilege to be part of it.

One last thing before I start talking about Haiti. Eighteen months ago, I spoke at the National Press Club about the challenges of navigating a nonprofit through turbulent economic waters. And at that time, I talked about how the Red Cross was trying to eliminate a \$209 million operating deficit over a two year period. And I'm very pleased to let you know that after a great deal of cost cutting, consolidation and streamlining, that we closed our fiscal year this past June and we did so with a modest surplus. None of these cost cutting initiatives impacted our ability to fulfill our mission, and we're continually seeking ways to be efficient in order to be outstanding stewards of our donors' dollars.

Now for Haiti. As we all know, a year ago today, Haiti was struck by a devastating earthquake, 7.0 magnitude, that killed an estimate 230,000 people and left an additional 1.3 million people homeless. It flattened homes, it destroyed much of the capital city, it damaged government operations including the death of many civil servants. Matt Marek, a 36 year old from Wilkes-Barre, Pennsylvania, was the head of the American Red Cross operations in Port-au-Prince when the earthquake struck. He and his coworkers dove under their desks when the earthquake started. And when it was over, they saw light and they realized the walls of their building had collapsed around them. Matt crawled out from the wreckage and he looked across the hillside to see thousands of homes that were pancaked. And he knew in an instant that many, many people had died.

Despite the trauma that he himself and his team experienced, Matt and the others spent all night bandaging and cleaning wounds. They sent out teams to provide first aid to people that were in hard to reach locations, and they didn't have stretchers so they dug through the rubble to find doors to carry the injured to vehicles to get them to one of the few remaining operating hospitals.

My first trip to Haiti was just a few days after the earthquake. The deceased weren't buried, and they were still in the street. I saw people walking around the streets of Port-au-Prince with nothing more than just the shock and grief on their faces. The extent of the devastation, the number of injuries, and the smell of death were just indescribable. The city was eerily quiet. No one smiled, no one laughed, no one spoke, no one even cried. People were living in makeshift tents that they made from pieces of sheet under little sticks that they had pitched. And if you wanted to talk to the residents in these makeshift camps, you literally had to crawl around on your hands and feet to be able to see them.

These images are still very, very vivid to me today, and I suspect they will be for years to come. The experience fundamentally changed my life. I felt a combination of heartbreak, but also steely determination to do whatever we possibly could to help the people of Haiti recover, no matter what. I have pictures of children that I took during that first trip, and I have them on my refrigerator and I look at them every day. They help remind me of our mission and why we need to be sure that every single dollar that we spend is spent wisely.

What also strengthens my resolve is the incredible outpouring of generosity from the American public. The tremendous needs of the Haitian people brought out the tremendous heart in the people of our country. So many Americans reached into their hearts, they reached into their wallets and they even reached for their cell phones to be able to give. And they did so in such tough economic times. I want each and every one of them to know that we are truly grateful for those donations and they are making a difference for the people of Haiti.

Overall, the American Red Cross has raised \$479 million for earthquake relief and recovery efforts. And these came in from millions of donors in various ways and in various sizes. Like the million dollar gift from a Fortune 500 company, the \$400 that was raised by a fourth grade class in Massachusetts, or the crumpled up dollar bill that came with a note that was sent to me that said, "This is from the tooth fairy. Can you give it to the people of Haiti?" More than 32 million came from text messaging at just \$10 a pop. And this was truly a game-changer in the world of fund raising. It shattered all previous records for mobile giving. And I like to think that it introduced a whole new generation to that delicious feeling of giving back, probably for the very first time.

But with this outpouring of support comes a responsibility for accountability and for transparency. And this new generation of donors wants to know how the Red Cross is spending their money. And I learned that firsthand when I did a Skype interview with that fourth grade class that I talked about that raised \$400. I expected the conversation to be

pretty simplistic. I mean, these were nine year old kids. But I knew we had entered into a new era of transparency when these kids asked me some really tough questions about exactly how their \$400 are going to be spent.

I provided them with a lot of details. And as I told the class, the Red Cross is committed to wisely spending the money that our donors have entrusted to us. And whenever I make decisions, I try to imagine that our donors are sitting right there at the table with me, and I ask would they be happy with the way that we're spending the money, would they approve? And will it help the people of Haiti. Personally, I welcome this new level of transparency and I'm proud to share decisions with our donors.

I'm often asked whether or not we're spending the donors dollars fast enough in Haiti. Three months after the earthquake, we told the press and we told our donors that we estimated that we would have spent, or will have contracts to spend, \$200 million in the first year following the earthquake. The fact is to date, we've provided even more relief than we originally projected. I'm proud to report that the American Red Cross has contracts to spend, or we have spent, \$245 million in the first 12 months and that is more than half of the \$479 million that we collected. And if you do some quick math, it's a spending rate of about two-thirds of a million dollars every day. That rate is possible because of our large disaster response capacity, and we can also very swiftly identify partners in Haiti who can also deliver massive amounts of assistance to complement our own capabilities.

So for the next few minutes, I'm going to describe the emergency relief that we provided in the first year since the earthquake. And these are the kinds of services and activities that are urgently needed after a disaster. And in Haiti, they have literally kept people alive. And that's a point worth reemphasizing. While conditions in Haiti are still extremely difficult, these relief efforts made possible by your donations have saved lives that otherwise would have been lost.

After I describe our relief efforts, I'll talk about the challenges that we faced, the need to be flexible, and I'll also talk about our plans going forward. I'll be using some of the facts and figures that can be found in our one year Haiti report. It's on our website, [Redcross.org](http://Redcross.org). I'll also be talking about what the Red Cross, the American Red Cross, has done. But I'll also refer to what we've done as a network with the other Red Cross societies around the world.

Our emergency relief efforts include six different categories: food, water and sanitation, emergency shelters, livelihoods, health services, and disaster preparedness. And I'll give you a few details on each, and I'll start with food. After the earthquake, the American Red Cross provided the World Food Program, that's part of the U.N., with \$30 million in funding and an additional \$14 million in ready to eat meals. That was enough to feed one million people during the height of the earthquake response. This assistance was vital in a country where even prior to the earthquake 1.9 million people either went to bed hungry or were completely reliant on aid for sustenance.

In early spring, the Haitian government asked aid organizations to stop distributing food. They felt that it would harm the local economy, particularly local farmers. So our funds were redirected to provide school meals, food for work programs, and nutritional supplements for children who were under five years old or pregnant women or nursing women.

Next is the area of water and sanitation. Since the earthquake, the Global Red Cross network has been providing clean drinkable water to hundreds and thousands of people throughout Port-au-Prince each and every day. We've also funded latrines to serve 265,000 people who are living in camps. And it's important to note that before the earthquake, only one in three people had access to clean, potable drinking water. And less than 20 percent had access to latrines or to toilets.

The American Red Cross is also working to improve drainage in and around the camps. Just imagine living in a home where every time there's a heavy rain, you're knee deep in water and you can't lay down and your children can't lay down, you have to stay up all night. These drainage projects keep residents dryer, they reduce the threat of water-borne disease, and they help put people to work.

The third area in the area of emergency relief is emergency shelters. More than one-third of the tarps and tents that were provided to the people in the tented communities came from the Red Cross. And to put that in perspective, if you lay those tarps and tents end to end, they will go all the way from New York City to Miami. Now, of course, we're working to get people out of the tents as quickly as possible, but at least these shelters have provided earthquake survivors protection from the blazing sun and the punishing rains.

Fourth, the American Red Cross has been working hard to help the Haitian people get back on their feet through jumpstarting livelihoods. We've been working with the micro financing partner in Haiti, Fonkoze. We've helped about 220,000 people through cash grants and business loans. And many of these families that receive grants were led by women, and that is a particularly vulnerable group economically, as you know.

Also, because hundreds of thousands of displaced Haitians left the capital to seek refuge with friends and family in other regions, we're providing support to about 70,000 people who are living with host families. These grants and loans made a real difference for Haitians. Like the owner of a small food shop, Odette Minard. She lost most of her inventory during the earthquake. And thanks to money from the Red Cross through Fonkoze, Odette reopened her shop, her business is growing again. And once again, she can provide support for her family.

And there are signs that more and more Haitians are getting back on their feet. In fact, the U.N. tracks the population in the camps and they have determined that the number of residents has declined by more than half a million people since the earthquake.

The fifth area includes several different initiatives that we're working in the area of health. The American Red Cross helped fund a U.N. vaccination program. We vaccinated close to a million men, women and children against diphtheria, Pertussis, tetanus, measles and rubella. Nearly 217,000 people have been treated at Red Cross healthcare facilities since the earthquake. We've also provided funds to keep the doors open of the largest public hospital in Port-au-Prince, as well as the only critical care and trauma center in all of Haiti.

The earthquake left thousands of Haitian survivors with crushed limbs. So the American Red Cross is helping to fund the reconstruction of a prosthetics and rehabilitation facilities that's run by the Healing Hands for Haiti. And you can just imagine the joy that a child would experience with an artificial limb. It brings them back to normalcy, whether it's being able to work or to be able to kick a soccer ball again.

Our final set of projects in the emergency response phase is in the area of disaster preparedness for Haiti. Haiti is obviously a disaster prone country. And in order to be ready for the rainy seasons and the hurricane seasons, we're working to build a culture of preparedness. The Red Cross pre-positioned enough emergency supplies; tarps, tents, blanket and cost for 125,000 people, and they're scattered Haiti.

Haitian volunteers trained by the Red Cross have gone into the camps to provide residents with basic disaster preparedness and response tools. They've worked with community residents to put sandbags up on the hillside and to create evacuation routes. And this included setting up emergency communications using bull horns or fell phone calling chains, and the like. These efforts are also reinforced by the innovative use of text messaging and broadcast media.

So for example, when Hurricane Tomas was approaching Haiti in the fall, we worked with the wireless provider in Haiti and we sent millions of text messages throughout the country telling people the steps that they should take to prepare for the storm. And these preparations have kept the loss of life to a minimum when Tomas struck in November. So hopefully, that gives you a sense of our relief activities. And as I said, more details are available on our website.

At the American Red Cross, we know that it is very important to have a plan during disaster response. But it's also very important to be flexible. And the cholera outbreak is an example of a new and unexpected crisis that we had to respond to. As soon as the cholera outbreak started, the Red Cross sprang into action. Within days of the outbreak, cargo planes filled with relief supplies that were paid for by the American Red Cross were landing in Port-au-Prince. The Red Cross network opened three cholera treatment centers and were also providing funds to other centers as well. We're providing safe chlorinated water every day to more than 300,000 people in Port-au-Prince. The Red Cross donated 10 million aqua tabs. These are tablets that purify water and we donated those to the Haitian Water Authority.

Text messaging has also been part of our cholera response as well. The Red Cross response team has sent 3.7 million text messages with prevention techniques and information across the country. We've also purchased and transported hundreds of thousands of prevention and treatment items like soap, like oral hydration tablets, and IV solutions, et cetera. We've shipped thousands of cots from our own warehouses here in the U.S. for use in the cholera treatment facilities, and hundreds of American Red Cross trained hygiene promoters are going tent to tent in the camps in Port-au-Prince to explain how to stop the spread of cholera. And this is really not an easy feat because this is a country where the illiteracy rate is so high, you can't just drop off a brochure and ask people to read it.

I had the privilege of following a group of these volunteers around the tents, and they used ingenious techniques from having a storyboard with illustrations to literally demonstrating how you wash your hands with cholera soap. And when they were done, they would teach the kids in the camp the cholera song, which has a catchy tune to it and the lyrics are all about how to prevent the spread of cholera.

A second example where we had to be flexible had to do with an extensive initiative that we were planning as part of our relief work. However, this project, unfortunately, is going to have to go into the column of challenges that we faced and it shows the need to adapt to new developments and to new directions. I'm speaking about our cash transfer program, which you may recall from our previous report. We had successfully piloted a program where we were going to distribute \$40 million to help people living in the camps. And our feeling was that this would empower them to provide for their own needs rather than waiting in line for aid distribution.

However, the government of Haiti asked us to stand down on this program in late October. And the rationale was that the provision of cash would have more people moving into the tented communities and would incent people not to leave. We were disappointed, frankly. I understand the point of view, but we have to abide by their decision. So since that time, the American Red Cross has been working to reallocate that money into financial assistant initiatives that would be more targeted. And these would include cash for work, relocation grants, school vouchers to offset tuition payments for K-12 students. Almost every student has to pay a fee to go to school in Haiti because 90 percent of the school system is private schools. Our goal remains to get cash into the hands of families, which will not only improve their lives, but also stimulate the Haitian economy.

Another challenge that all of you have read about is finding land to get people out of the camps and into transitional homes. And this effort has not moved as quickly as any of us would have hoped for, for a number of reasons. First, it's been very difficult for the Haitian government to determine exactly who owns the land. And obviously, groups like the American Red Cross can't just charge in there, steal land, start building. It's not our land and it's not our country. Much of the available land is covered with tons of rubble that has to be removed and there isn't enough heavy equipment in Haiti to do so. And



even if there were, the roads are so narrow that heavy equipment wouldn't be able to have access to remove the rubble.

But despite these challenges, the American Red Cross is moving ahead in our efforts to provide more permanent shelters for Haitians that are currently living under tarps and tents. We're spending \$48 million as part of the Red Cross network's overall goal to build transitional homes for 150,000 people. And our partners have already completed a number of these homes in 16 different communities. The homes that they've completed will be able to house 15,000 people. And these are brightly colored homes, they're a vivid sign of progress and a sign of hope. And I like the fact that in many instances, they're being built by the Haitians that live right in that community as part of a cash for work program that's being funded by the American Red Cross.

So looking ahead, the Red Cross is planning to spend the remainder of our funds on longer-term recovery, and we plan to be in Haiti until the very last dollar is spent. And our hope is to leave a lasting impact. So the bulk of the remaining funds will be spent on permanent housing. Our plan is to provide permanent homes using two different approaches. The first is to rehabilitate existing communities inside of Port-au-Prince. Homes in the city have been marked with green if they're able to be habitable, yellow if they need repair, and red if they have to be demolished. So our program would include repairing homes that are damaged and replacing those-- demolishing and replacing those that are unsound. This obviously is a street-by-street approach and it allows people to return to their neighborhoods and stay close to family, friends and jobs.

The second approach is a green field effort where we develop brand new communities outside of Port-au-Prince. And we're very excited to be able to tell you about two brand new initiatives. First, the American Red Cross is working closely with the U.S. government, the State Department, through its implementing arm, USAID. We're working on a planned partnership to build permanent housing for people that were left homeless during the earthquake. Under this partnership, USAID would identify and prepare at least locations in Haiti for permanent homes that would include roads, drainage and other infrastructure. The plan is that the American Red Cross would build these homes including water and sanitation. And we anticipate spending as much as \$30 million in this planned partnership with USAID.

Second, the American Red Cross is also working on a separate housing project with the Inter-American Development Bank, or IDB. We anticipate that we'll spend as much as \$15 million to construct homes on land that's being identified by the Haitian government. The land would include roads, sanitary systems, electric services, and other infrastructure. These projects are part of the \$100 million that we planned to invest to provide tens of thousands of people with permanent homes and they will unfold over the next few years.

So before I take your questions, I do want to offer a personal perspective. My experience in Haiti is like nothing I have ever experienced. I've made several trips since the earthquake, and each time I experience every single possible emotion. Deep sadness

and despair, but also pride, joy and hope. And I'm like all Americans; I really wish the pace of progress could be faster in Haiti. I'd like to see all Haitians living in permanent homes with robust livelihoods and have vibrant communities. And instead, about 800,000 people are still living under tarps and tents while the Haitian government works to sort out land ownership issues. And this is not easy in a country where title documents often didn't ever exist and where the government workforce was decimated during the earthquake.

While much has been done in Haiti, the conditions still are very tough for the people there. I keep reminding myself that Haiti was a very poor country before this devastating earthquake. More than 70 percent of Haitians were living on \$2 a day or less. Only one in three Haitians had access to safe drinking water. Less than half of the people in Haiti have electricity, and the illiteracy rate is 45 percent.

In many cases, aid groups aren't just rebuilding Haiti, we are building some of the infrastructure for the very first time. And, of course, the recent events over the past few months, like the cholera outbreak, Hurricane Tomas, the civil unrest after the announcement of the election results, these have only compounded the misery of the earthquake survivors. But amid the destruction and hardship, there's also hope and progress. The resiliency, the determination, the spirituality and the positive attitude of the people that I have met in Haiti are absolutely inspirational. And I'm also inspired by our Red Cross workers on the ground who endure many of these same hardships in order to be there every single day helping others. Under incredibly challenging circumstances, they have really accomplished so much.

And I'm deeply moved by all of you who entrusted us to spend your dollars wisely in ways that best help the people of Haiti. And that is exactly what we're doing. I'm personally committed to spend it in a way that will make our donors proud. Thank you very much. (Applause)

**MR. BJERGA:** And thank you very much for taking some time on your birthday to speak with us today. It's, of course, an important anniversary. First question from the audience, and please do not hesitate to send up your questions. How is the current political atmosphere in Haiti affecting relief efforts?

**MS. MCGOVERN:** Well, I mentioned the civil unrest and that, unfortunately, was a reality. And as a result, a lot of the aid operations had to stand down temporarily. But, the prime minister and President Bill Clinton are working on the Interim Haitian Recovery Commission and they are still meeting, they're still approving projects. The ones that I described in here were put in front of the commission and it is still moving. It's moving slowly.

**MR. BJERGA:** This audience member asks how much has the Haitian government helped or hindered your work there?

**MS. MCGOVERN:** So as I said, their job is not easy. People were living in homes that had no titles and if you've visited Haiti and you see the rubble, it is incredible, what they have to do. The good news is they completed the work to label the yellow, green and red houses. The projects that I described, for example, are starting to move forward. I'm seeing transitional shelters spring up all over the place. We're building about 20 to 30 every single day, 7 days a week. So there is progress, but the Haitian government has a lot of hard work to do with the decimated workforce.

**MR. BJERGA:** From the Haitian government to the U.S. government, understanding that the Red Cross is a donor agency, what is your reaction to discussions that you hear in the new Congress of cuts to the foreign aid budget, questions about accountability with relief efforts and just the general atmosphere of budget cutting and deficit cutting you see in Congress?

**MS. MCGOVERN:** Well, as the CEO of the American Red Cross, one of our seven tenets is neutrality and I want to be neutral on all things political. Having said that, we're working very closely with the State Department, USAID, and they're helping us forge ahead over there in Haiti.

**MR. BJERGA:** You mentioned near the end of your address that you had examples of hope and inspiration that have kept you going with your work. What is a specific example of success you've seen in the past year that gives you hope?

**MS. MCGOVERN:** There are signs of hope all over Haiti. You can walk around Haiti and hear hammering as transitional shelters go up. You can see kids with artificial limbs that are walking for the first time since the earthquake. People look healthier in Haiti. When I was there the first time, there were so many injured people and now, you can see that people, the healthcare system, was nonexistent before in Haiti. Only one in ten thousand people had access to healthcare.

And there's also progress that you don't see. Like the fact that a million people are now vaccinated against diseases that were widespread. Or that waterborne illnesses were minimized in close quarters in Port-au-Prince because of prevention, clean water distribution, et cetera. And every time I go, I am so delighted to see how much commerce is happening in the streets. It seems like there isn't an empty spot on the curb where someone hasn't set up some sort of shop and is selling something. I've seen people using our Red Cross tarps and tents-- I saw a restaurant that had a table for two and it was fully booked. I saw a manicurist, I saw a barbershop. These are beautiful signs of progress and a testimony to the resiliency and the determination of the Haitian people.

**MR. BJERGA:** So following up on your examples in healthcare such as the vaccination programs, how do you take what is a relief effort, a mass immunization and translate that into the foundation of a sustainable healthcare system once you're gone?

**MS. MCGOVERN:** That is an excellent question. And we are literally helping to keep the doors open of the two hospitals that I described. The Haitian government has

started paying the salaries in the university hospital, which we think is a great sign. But in order for the healthcare to be sustainable, it has to be a government run institution. The aid will eventually run out. We have \$479 million. That sounds like a lot, but it certainly isn't enough to keep hospitals going forever. So, the Haitian government has begun to engage and we're working with them to transition the salaries over to the government.

**MR. BJERGA:** So, when a disaster occurs, there's the initial burst of aid to deal with the crisis in the emergency and then you have your longer-term development aid. And there's always a question as far as where you put resource to another. You cited the example of food where there was an immediate rush of food, and then a desire because of its damage on the agricultural economy, to push it away. When do you make those judgments that in a certain area you have left the crisis phase and are now in the longer-term phase? And to what extent in Haiti right now are we still in one phase and not yet into another in different areas?

**MS. MCGOVERN:** So, that decision varies in each and every disaster. They're all a little bit different. As a humanitarian, I never want to stop distributing relief. You want to keep continuing it. But I know that if we were to do that, at the end the money would run out and we would leave and there would be nothing to show for the incredible outpouring of generosity from the American public. So as people are leaving the tented communities, which is a sign that people are getting back on their feet, we have started to divert funds to recovery, as I described, with the permanent housing and also the transitional homes as well. And it's important to do this because it's a sign of progress, it's a permanent, indelible lasting impression on the country. And at the same time, we are constantly prepared for unexpected disaster like the cholera outbreak or Hurricane Tomas.

We work closely with the government of Haiti, the people on the ground, our sister society, the Haitian Red Cross, to get a sense for when it's right to start doing recovery efforts. And in the case of Haiti, we feel that it's time to start breaking ground and start building permanent homes.

**MR. BJERGA:** One of the issues you've heard discussed with Haiti is how much of the population has been concentrated in Port-au-Prince. And you made reference to new green fields initiatives to basically disperse that population into what could be new population centers. You talked about building homes, you talked about infrastructures, water, drainage, et cetera. How do you go about creating an economy for these towns?

**MS. MCGOVERN:** So your observation is exactly correct. Port-au-Prince, before the earthquake, had a population of 2.5 million people. And they say that it was a city built to accommodate 900,000. So even before the earthquake struck, it was overpopulated. And when you look at the blueprints that the interim commission has worked on to figure out long-term recovery, it includes flattening Port-au-Prince a bit and dispersing the residents outside of the community. And there has to be an effort to provide livelihoods, jobs, et cetera. So, part of our recovery is to continue to support livelihoods, but this is something that the Haitian government is working with as well.

And you may have noticed that yesterday, there was an announcement where two Korean textile manufacturers are going to be setting up operations in Haiti and that is going to be creating 20,000 jobs. Infrastructure, utilities, livelihoods, schools, community centers, all of these things are required to make Haiti a vibrant community. It isn't just homes, which is why in these green field efforts, we're coordinating with partners to make sure that those types of things are available before we start digging. And we're also making sure that our initial projects are close to Port-au-Prince where there are job centers and possibilities for employment.

**MR. BJERGA:** On the topic of pace of recovery funding, you'll often hear when an effort is initially put forth that the money's being spent entirely too quickly. The economy can't absorb it, it's not being spent efficiently. People who don't say that will often tend to say, "You're not spending the money fast enough because it's being spent inefficiently because your organization clearly can't disperse this aid." These are contradictory concepts that you'll often hear at the same time. How does one manage the pressure and how does one know that you have been spending money at the proper pace?

**MS. MCGOVERN:** That's an excellent question and it's a true observation. If we don't spend it at a really rapid pace, people say, "Why aren't you spending it fast enough?" If we had blown through the \$479 million in the first year, I'm quite confident that people would have said, "What the heck did you do with that money?" We attempt, you used in the question how do you deal with that pressure. The way I wake up in the morning and I can look myself in the mirror is by saying, "I want to spend the money through a lens of two factors. One, would it make our donors proud? And two, will it help the people of Haiti?" And we have resisted the urge to just dump money because you want to make sure it's spent wisely.

And in a number of the initiatives that I talked about where we're working with partners and we make sure that we put out requests for applications that they will spend the money wisely, that we have the ability to audit where the funds are going. We want to make sure at the end of the day we can account for every single dime and that we don't succumb to pressure, that we really just do the right thing.

**MR. BJERGA:** Related to that question, according to one report, donations in the wake of Hurricane Katrina were spent much more quickly in the first year than they have been spent in Haiti. What is different about Haiti's conditions that has humanitarian organizations spending on reconstruction more slowly?

**MS. MCGOVERN:** In the U.S. during Hurricane Katrina, and I ought to preface this by saying Katrina was about four years before my time when I started at the American Red Cross, but included in our work in Katrina was an enormous financial aid package where we were supplementing the work that FEMA had done. We took the outpouring of donations and gave money to the victims that were impacted. And we did it with debit cards and we were able to transfer the donations directly to the people there. So that was one effort.

The other thing is this is-- Katrina happened in the U.S. People could get on buses, they could leave the city. I read somewhere that only 60 percent of the people returned to New Orleans. They could get on buses, they could move in with relatives, they could get jobs. So in a lot of ways, it was easier to get relief done quickly because there wasn't that same long recovery effort. You just walk around Haiti and you see that recovery has to be a huge part of our donations or else there'll be nothing to show for it.

So here, we're planning recovery operations. And as I said in my speech, this isn't to rebuild Haiti, this is to build parts of Haiti up for the very first time.

**MR. BJERGA:** Before this address, I was speaking with a person in reception remarking how the attention span for disasters can often be very short. And regrettably, the fact that even one year later, people are still talking about Haiti, it can be kind of unusual by the standards of humanitarian disasters. Of course, you have a large Haitian expatriate community and you have nearby access to U.S. media and a lot of things that help such things along. But while this is happening, there are other humanitarian disasters. And this person questions, "Has Haiti taken the oxygen out of the room when it comes to humanitarian assistance? Is it harder to raise dollars for other needs because of ongoing interest? And what areas other than Haiti need more assistance but may be suffering from lack of attention?"

**MS. MCGOVERN:** So, first of all, has Haiti taken the oxygen out of the room? I think that this disaster struck a chord with the American public like no other. The visuals on TV were horrific and much more vivid and for whatever reason, the media went deeper into showing some really graphic images that will stay with all of us for a long time. And so I think that's part of the reason why the attention has taken so long.

The other thing is just the sheer number of donors. Not the amount necessarily, but the number of donors. I walk through the airport with my Red Cross pin on and a kid will come up to me and say, "I gave you \$10. What are you doing with it?" I mean, there's so many people that feel a vested interest now in a connection to Haiti. The question is, has it diverted our attention? No. As I said, we responded to 70,000 disasters last year. We still delivered half the nation's blood supply. We still trained 10 million people on life saving skills. And we still supported military families to the tune of 500,000 connections every year.

And could we use donations for that? Absolutely. Absolutely. There's a bit of donor fatigue because of Haiti and there are a lot of things going on in our country that the Red Cross is providing and we exist because of the generosity of the American public. So, any donations in any area are greatly appreciated.

**MR. BJERGA:** About those cell phone messages, this person asks, "When a donor sends money via cell phone or text, does the phone company get a cut?"

**MS. MCGOVERN:** They didn't during Haiti. They were very generous and they did not take their fees, which is pretty amazing. Another question I get on the cell phones is, "Oh my gosh, did my kid get on there and text hundreds and hundreds of dollars?" I'm here to assure you that the answer to that is no, because you could only text twice. So, that \$32 million were either \$10 or \$20 donations and not the same person texting. And we love this medium. We are constantly sending texts back to the people that donated with little status reports telling them how their money is working and what we're doing. And it's a great way to send bursty (sic) messages to just keep people feeling connected to the people of Haiti and to the American Red Cross.

**MR. BJERGA:** Are you able to harvest that for your mailing lists?

**MS. MCGOVERN:** Now, there's an interesting question. So we actually sent a text that invited people to opt in by texting us their email addresses. And I think we got between 5 and 10 percent opt in, so we do communicate with people now via email. I love texting, I love this medium, but it's kind of hard to send a stewardship report like the one I just gave you in a text message. So, we're delighted for anyone to get on our website, give us your email address because we really want to keep them informed. And the more we can tell our donors about what we're doing, not only in Haiti but throughout the American Red Cross, the more connected they feel and the level of transparency, as I said in my speech, is something that we welcome at the Red Cross.

**MR. BJERGA:** Following up on an earlier question, could you please talk a little bit more about the role of the Haitian ex-pat community in the U.S. and the response and expertise on this disaster?

**MS. MCGOVERN:** So we work with the Diaspora very closely. We solicit their opinions, we get their advice, we ask them to volunteer. When the earthquake first struck, we asked Creole-speaking people to help staff a ship that was used for critical care. We rely on them to help guide us as to what is the right thing. We have dedicated staff at the Red Cross who interact with the Haitian Diaspora because we feel that they're so important. And we do outreach in cities where there is a big population. And they're vital to keeping us informed. They all have relatives back in Haiti so they can also help keep the finger on the pulse of what's going on.

And they are vocal. They demand transparency. And as I said, that's something that we welcome and we keep them informed and have quite an outreach to make sure that we have a give and take dialogue.

**MR. BJERGA:** On transparency, you spoke several times about your efforts with accountability. Do you see other organizations working as hard on that topic as the American Red Cross? And overall, what are the greatest transparency challenges you see overall in this effort?

**MS. MCGOVERN:** So, I think that donors are demanding transparency. So, if there are organizations that are not providing it, I can assure you eventually they will. We

made a commitment that we want to lead the effort in transparency. And for the most part, we share anything we have. Probably the biggest decision that we have is when is too much too much? I mean, sometimes the facts and figures and detail get a bit stultifying. We could provide down to the jerrycan what we gave out during relief. But there's a point in time where transparency becomes so overwhelming that people don't really grasp it. But we are happy to share the way we're spending our dollars, the way our budget looks. A lot of this is in our one-year report. But if there's press out there that has questions, we welcome it. And I think this is good for not only the nonprofits because it keeps us on our toes and it forces us to continually do the right thing, but I think it's good for philanthropy. I think there are more people that will want to donate when they truly understand where their dollars are going and the difference that they're making.

**MR. BJERGA:** Realistically, when do you expect Haiti to be a functional society with permanent homes, no tents and a developed civil society?

**MS. MCGOVERN:** That is a tough question. I think that I would have to have a degree in urban planning to be able to give a realistic answer. I can tell you that in Japan, after the earthquake in Kobe, that it took seven years to get Kobe back to where it was before the earthquake and that was one city in a country with extraordinary infrastructure and resources.

As I said, Haiti was such a poor country to begin with that there are actually people living in the tented communities that have told us that they're better off now than they were before the earthquake. So I guess I could give the answer it's going to take a long time. Some of these projects are going to take a long time. Construction takes a long time. And it's going to require a coordinated effort. It's going to require utilities, infrastructure, water, sanitation. I will not give up hope that we can get there. And the reason I have the hope is that when you ask the people in the tented communities, "What do you need?" they don't say water, they don't say food, they don't say shelter, they don't say clothing. They say, "I need a job." And with the society that is so eager to work, it seems to me that there's tremendous hope for Haiti in the future and that as people discover how industrious the society is, I like to think that we'll see job opportunities, offshore manufacturing and the like, that will help bring Haiti back at a faster pace.

**MR. BJERGA:** What has been your most moving or powerful memory over the past year?

**MS. MCGOVERN:** Oh, my goodness. There are so many images that just flew in my face when you asked that question. When I went to Haiti the very first time, nobody smiled. Nobody smiled. I came home and I couldn't smile. It was almost like my smile muscles had gotten frozen. When I got home, I stood in my shower and I thought, "Oh my gosh, the stuff that we take for granted. The fact that I can stand here and have potable drinking water just pouring down the drain without giving it a moment's thought," was so amazing to me.



And on my next trip to Haiti, I came back and people were smiling. And I have emblazoned in my memory what those smiles look like. I saw kids that had taken pieces of sheets and cloth that they were using for those makeshift tents that I talked about, they were now under tarps and tents, and they had taken the cloth and they were using them as kites. And they were flying against the backdrop of an unbelievably blue sky and they were squealing and giggling and were-- just joy on their faces as a memory that I will keep with me for a very, very long time.

**MR. BJERGA:** And we are almost out of time. But before asking the last question, we have a couple of important matters to take care of. First of all, to remind our members and guests of future speakers. Tomorrow, the Honorable Tim Pawlenty, the recent former Governor of the State of Minnesota will be launching his book tour here at the National Press Club for his memoir, *Courage to Stand*. On January 26<sup>th</sup>, this isn't a luncheon, but just to let you all know here, the National Press Club is going to be holding a night of solidarity with Haitian journalists. Proceeds from this fundraiser, hosted by SOS Journalistes, a Haitian press advocacy group, will raise much-needed funds to assist Haitian journalists and their families.

And then on February 3<sup>rd</sup>, 2011, we have a members-only luncheon with Ben Bernanke, Chairman of the Federal Reserve. It says the topic is to be determined, but I think we have some guesses.

Second, to present our guest with the one, the only, the traditional, the coveted, the always-waited-for National Press Club mug.

**MS. MCGOVERN:** Thank you, Alan. (Applause) Thank you, I can take your last question.

**MR. BJERGA:** And for our final question, simply, you've spoken here before and you are speaking here today on the one-year anniversary. What will you be able to tell the National Press Club on the second anniversary?

**MS. MCGOVERN:** Oh, my goodness. First of all, before I answer that question, you have no idea how much I covet this cup. It's hard to get one of these, and now I have two and I am working on getting a set so I will be back as long as you invite me. I hope that in a year from now I can report that our financials are stable, that the American public is still reaching into their hearts and supporting the American Red Cross. That we continue to be there for people in need and I'm almost 100 percent sure that I will also report that I have the best job in the entire world. Thank you very much. (Applause)

**MR. BJERGA:** And thank you, Gail McGovern. This meeting of the National Press Club is adjourned. (Sounds gavel.)

END

