Cones of Uncertainty: The Nature of Business in Hurricane Country



Ben McMahan
University of Arizona
MMS ITM
New Orleans, LA
January 2009

Introduction





- Origins: topic emerged from ongoing research on shipbuilding and fabrication
- Background
 - 2008 storm season
 - Continuation of storm events in 2004, 2005

Stav Aware. 1 PM Tue A Hurricane Ivan Google Trends Birmingham Post AmeriCares Resp Humicane Rita Sp D Wilma Hurricane Kazinform - Oct 2 E Hurricane Dean S Forbes - Aug 21 2 F Hurricane Gustav

"Back in 69, with Camille, they thought it was going to hit Morgan City...but it veered. And statistics don't mean much, when the storm is pointed right at you. Then it's 100%." (Yard Office Manager 2008)

Big Picture

- Historical: emergence of prediction technologies
- Ever more direct citizen access to predictions and surveillance information
- Increased risk perception, preparedness capacity
- Increased public awareness of hurricane threats



Legend Platforms Gens track for the eye of Katrina Harricane Force Winds - Xatrins Stems back for the eye of Rita Harricane Force Winds - Rita

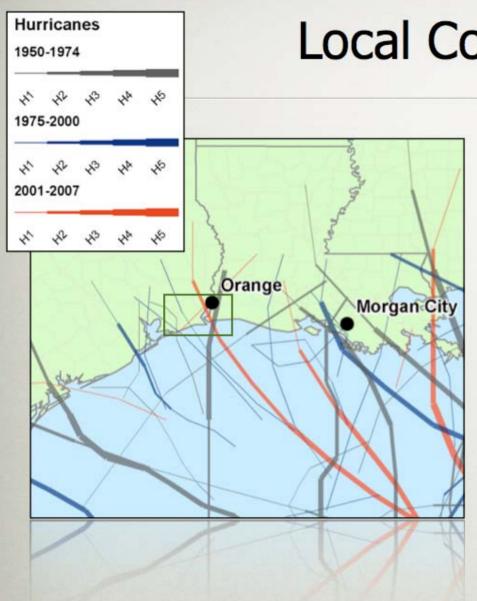


- Relevance of hurricanes to shipbuilding and fabrication
- Paradox of storm threat and potential business boom
- Increased business, salvage
 & replacement operations
 - "...making lemons out of lemonade" (Economic Development Officer 2008)
 - "...if you [your business] can survive the storm, you'll make out alright" (Yard Office Manager 2008)

Hurricanes 1950-1974 1975-2000 2001-2007 Orange Morgan City

Local Context: So. Louisiana

- Storms as a persistent reality,
- Local identity tied to this experience & sense of place
- Experience also aids in preparations and response
- Many ship/fab workers are seasoned storm veterans
- Social Memory &
 Communities of Practice



Local Context: S.E. Texas

- Port Arthur & Orange, TX
- Storms less frequent, until last 3 years
- Last big storm seasons in the late 50s and early 60s
- Long interval shapes social/ collective memory

"A lot of people thought, 'Well there's never been a flood, so why spend all that money on a problem when we won't have a big storm here in 100 years," (The Record Live On-Line 2008)

Framing & Analysis

- Framing
 - Social Memory & Community of Practice
 - Recent storm events highlight differences
- Analysis
 - Document and compare strategies and responses
 - Focus on shipbuilding and fabrication, recent storms as a temporal marker

Relevant Storm Impacts

- 1. Short & long term effects on workforce/labor
- Cyclical nature of industry & labor: exacerbated by storms
- 3. Company and community preparations-for and response-to storm events
- 4. Communities framing of storm events, consequences, etc.

A Brief Note on Methods

- ~120 open ended interviews, participant observation, and newspaper/archival research
- ~3 months in each of the 2 communities
- -Interviews with managers, owners, workers, and community residents coded thematically
- -What follows? Summaries of themes and exemplary quotes

Short & Long Term Impacts Workforce

Temporary evacuations

- "For 2 weeks, we couldn't offer any employment services...You can try and fight the hurricanes, but when you don't have any work, there's not much point?...But the fabrication yards, they need people even worse than ever." (Labor Contractor 2008)
- "We've been ready to go for awhile now it took a couple days to get electricity, but that's to be expected. What took longer was getting our guys back this took a bit more time, because a lot of them were waiting longer for their electricity than we were [at the yard]." (VP Fabrication Yard 2008)

Short & Long Term Impacts Workforce

Longer Evacuations

"Before Katrina, we had over 1000 people...But since Katrina - we've lost so many of our company people...Now we have a lot more sub-contractors....A lot of it has to do with FEMA and some of the cleanup work - they're getting paid decent money along with per diem for their food and housing, so they are taking that money and banking on it. Or they just ended up someplace else, and didn't want to bother with coming back. It's hard to say." (Fabrication Yard Project Manager 2008)

Recovery Efforts & The Cyclical Nature of Work

- Workers pulled away from fabrication & shipbuilding for recovery work
- Fluctuating workload and workforce levels before, during, and after storms
- Strategies such as contractor labor to deal with fluctuations emphasize temporary contractors

Company Preparations & Response - Housing

Louisiana - some had very specific plans

- "We have a steel living quarters that sleeps about 45...and if our guys stayed, they got free food, they had AC, they had hot water, and they could stay here with their families....and the day after the hurricane, they were back on the payroll and working. For the guys, staying here is a no-brainer. But some of their wives weren't so sure about it." (Yard Office Manager 2008)
- Mutually beneficial, but not everyone had this sort of plan in place...

Company Preparations & Response - Housing

Texas (post Rita)

- "We lost our labor force immediately after the storm...when they came back there was no electricity, there was no social services, no grocery stores, very little utilities that were actually functioning...most people didn't want to come back, and those that did, didn't have any place to stay. So we immediately worked to find housing found some rental properties in Orange, and some bunkhouses in Sabine Pass...we were in the housing business for a few months." (Fabrication Yard Manager 2008)
- "The housing prices have gone crazy since the hurricanes and the expansions. A while back [before the hurricanes], you could rent a 2-3 bedroom house for \$300, and now you'd be lucky to find the same thing for \$900." (Fabrication Worker 2008)

Company Preparations & Response - Housing

- Housing and shelter are serious issues both during and after storm events
- Companies have been forced to provide housing to remain competitive/open
- Provision of shelter during storms is also an issue, especially for workers housed on-site

Community Framing & Recruitment

Louisiana - Hurricane response capacity as a source of community identity & pride

Companies have noticed too...

"[We ended up here] because it's a safe harbor - you're 30 miles from the water, and there's lots of trees between you and the coast. After Gustav I was back the Wednesday of that week...[In Morgan City], they really have their s--t together. They have their own power company, and with the dusk/dawn curfew after the storms, they kept things secure around here. (Fabrication Yard Manager 2008)

Community Framing & Recruitment

Recruitment? Not an easy sell (regardless of location)

- "The money is good...but people don't want to leave their homes...they're afraid of change...and you have to ask yourself...what is their perception of this area... [regarding] hurricanes, etc.? ...They create lots of work, and in the business, there's no denying they make a lot of money. But if you're hurt or you lose your home, if it's flooded or damaged, it definitely hurts." (Yard Office Manager 2008)
- "Pre Rita, they already had a hard time finding and keeping workers, but after it was only worse, which set them back on their schedule. Humberto didn't help either, because it reminded everyone of the potential of hurricanes...and this potential for disaster affects peoples psyche when they are thinking about whether they would want to live here or not. (Fabrication Yard Safety Officer 2008)

Implications & Preliminary Conclusions - Hurricanes...

- Unique events impact on local industry shaped by chance and context
- Exacerbate cyclical nature of industry
- Companies are forced to address new issues regarding employees
- Recruitment increasingly challenging in context of increased risk perception
- Fabrication and shipbuilding a driving force in local preparedness capacity (and motivation)

References

- Economic Development Officer. 2008. Personal communication. Community response to hurricanes. Orange, TX.
- Fabrication Worker. 2008. Personal communication. Cost of living/housing post hurricane. Orange, TX. 21 April.
- Fabrication Yard Manager. 2008. Personal communication. Housing for workers post hurricane. Orange, TX. 28 March.
- Fabrication Yard Manager. 2008. Personal communication. Moving to safer locations to deal with hurricanes. Morgan City, LA. 14 October.
- Fabrication Yard Project Manager. 2008. Personal communication. Workforce transitions post hurricane. Morgan City, LA. 8 October.

References (continued)

- Fabrication Yard Safety Officer. 2008. Personal communication. Perceptions of risk regarding hurricanes. Orange, TX. 16 April.
- Labor Contractor/Staffing Specialist. 2008. Personal communication. Labor force availability post hurricane. Morgan City, LA. 30 September.
- The Record Live On-Line. 2008. Levee issue revisited: Would it pass now?

 http://therecordlive.com/article/Hurricane_Ike/Hurricane_Ike/Levee_issue_revisited_would_it_pass_now/52511. 14 December.
- VP Fabrication Yard. 2008. Personal communication. Workforce return post hurricane. Morgan City, LA. 14 October.
- Yard Office Manager. 2008. Personal communication. Business responses to hurricanes. Morgan City, LA.

References (continued)

Yard Office Manager. 2008. Personal communication. Difficulty recruiting to hurricane risk area. Morgan City, LA. 13 October.

Yard Office Manager. 2008. Personal communication. Housing for workers during hurricanes. Morgan City, LA. 13 October.

Yard Office Manager. 2008. Personal communication. Hurricanes on the gulf coast. Morgan City, LA. 15 October.