

National

The New York Times

Article 3 of 9 in National

[◀ Previous](#)

[Next ▶](#)

[Skip to article](#)

[NYTimes.com](#)

[Go to a Section](#)

Welcome, [ctzcrank](#) - [Member Center](#) - [Log Out](#)

▶ **TimesSelect** FREE 14-DAY TRIAL!

SEARCH SPONSORED BY



SEARCH

Behind Louisiana Aid Package, a Change of Heart by One Man

•

[E-Mail This](#)

- [Printer-Friendly](#)
- [Single-Page](#)
- [Reprints](#)
- [Save Article](#)

ARTICLE TOOLS
SPONSORED BY



By [SHAILA DEWAN](#)

Published: March 20, 2006

[Louisiana](#) was in a foul mood on the February day that President Bush's Gulf Coast rebuilding coordinator, Donald E. Powell, stood before an audience of fellow bankers in Baton Rouge.

Two weeks before, the administration had rejected Louisiana's housing recovery plan. Mr. Powell's own idea of housing aid excluded thousands of homeowners, many of them poor, who lived in the flood plain but did not

have flood insurance when Hurricane Katrina hit.

Asked about those who had counted on federally built levees to protect them, Mr. Powell, a wealthy man from the dry Texas Panhandle, noted that he had been responsible enough to buy flood insurance for his home in Amarillo.

The members of the Louisiana Bankers Association were not won over. Nor was The Advocate, Baton Rouge's newspaper, which demanded Mr. Powell's dismissal, calling him a "flint-souled" bean counter whose only concern was "guarding the money."

Those with a more charitable view, Senator Mary L. Landrieu, Democrat of Louisiana, among them, complained that he lacked the authority to be effective, and some critics wondered if he was simply another presidential crony.

But barely a week would pass before Mr. Powell did an about-face that turned many of his critics into fans, showing that not only had he listened to the locals, but also that his conclusions had carried weight with Mr. Bush.

With Gov. Kathleen Babineaux Blanco and Mayor C. Ray Nagin at his side, Mr. Powell announced that the president would seek \$4.2 billion more for Louisiana to compensate homeowners — even those in the flood plain.

Mr. Powell's epiphany came after hours of listening to Louisianians: the decision makers; the woman who cleaned his room at the Sheraton; Victoria Reggie Kennedy, the wife of Senator [Edward M. Kennedy](#) (whom he called after hearing she was a Louisiana native); the inspectors examining high-water marks in homes. As he drove through New Orleans with Mr. Bush on March 8, he pointed to a small restaurant in the Ninth Ward and rattled off the owner's real estate woes.

"He had a learning experience," said Walter Isaacson, vice chairman of the Louisiana Recovery Authority. "It's the most amazing thing for somebody of his stature. It's because by himself, he walked around. He walked around and talked to people."

Mr. Powell says walking about in the region incognito, in blue jeans and boots, is becoming a bit harder now that people are starting to recognize him. "I went with no preconceived thoughts," he said. "And I realized that while Mississippi was an act of God, Louisiana was an act of God and man. There were some flaws. The levees breached."

Last week, Mr. Powell spent much of his time lobbying House members, successfully, to preserve the appropriation. For several days, other states mounted an effort to siphon off some of the money, and conservatives said the entire amount was too large, but on Thursday the House overwhelmingly approved it.

Mr. Powell's work on the housing plan made many Louisianians think that in appointing him, the administration had finally done something right. Garland Robinette, a talk-radio host in New Orleans who has interviewed Mr.

Powell several times, recalled telling him, "I was totally prepared to not like you at all, and it aggravates me that you're doing something to make me think you might be a good guy after all."

For Mr. Powell, former chief executive of the First National Bank of Amarillo, the listening tour was part of any banker's due diligence. Texas bankers are a particular breed — conservative, unpretentious and keenly competitive. One newspaper columnist recalled that years ago, after being offered a job in Amarillo, he received a solicitation call two hours later from Mr. Powell's bank. Asked about the incident, Mr. Powell said, "I probably was mad at our people because it was two hours."

Given his prominence in the Texas Panhandle, Mr. Powell's political connections go almost without saying. To the first President Bush, he is an old friend; to the second, he was a top fund-raiser. He had been to Washington only three times, he said, before he was appointed chairman of the Federal Deposit Insurance Corporation in 2001, a position he left several months early to take his current post in November.

1 [2](#)

[Next Page >](#)

[Next Article in National \(3 of 9\) >](#)



[Start your 14-day free trial of TimesSelect now.](#)

Related Articles

-  [White House to Double Spending On New Orleans Flood Protection](#) (December 16, 2005)

Related Searches

- [Hurricane Katrina](#)
- [Louisiana](#)
- [Housing](#)

Inside NYTimes.com



[Choice Tables:](#)

London



Max Liebermann at the Jewish Museum



New Tower Gobbles Up Views



German Coach, American Ways



Hardball Questions Replace Softballs

Advertisement

 **Most E-Mailed Articles** *The New York Times*

[Past 24 Hours](#) | [Past 7 Days](#)

1. [Why Do So Few Women Reach the Top of Big Law Firms?](#)
2. ['American Theocracy,' by Kevin Phillips: Clear and Present Dangers](#)
3. [Plight Deepens for Black Men, Studies Warn](#)
4. [Music: How Pop Sounded Before It Popped](#)
5. [Wanted: A Few Good Sperm](#)

[Go to Complete List](#)

1. [Silent Struggle: A New Theory of Pregnancy](#)
2. ['American Theocracy,' by Kevin Phillips: Clear and Present Dangers](#)
3. [Knock, Knock. It's Indian Comfort Food.](#)
4. [Study Links Ambien Use to Unconscious Food Forays](#)
5. [Why Do So Few Women Reach the Top of Big Law Firms?](#)

[Go to Complete List](#)

Technology
nytimes.com/tech

Almost
on iPod

Almost
on iPod



[The iPod Nano has some new competition](#)

Also in Tech:

- ➔ [Headphones for your music player](#)
- ➔ [Most popular MP3 players](#)
- ➔ [Buying guide: MP3 players](#)

Advertisements

- [**Anthony Bourdain**](#)

[on the Travel Channel](#)

[travelchannel.com](#)

- [**Dell**](#)

[\\$399 Dell™ Home Desktop!](#)

[www.dell4me.com](#)

- [**Save big with Lind-Waldock!**](#)

[Offers include 50% off commissions.](#)

[Copyright 2006The New York Times Company](#) [Home](#) [Privacy Policy](#) [Search](#) [Corrections](#) [XML](#) [Help](#) [Contact Us](#)
[Work for Us](#) [Site Map](#) [Back to Top](#)

..

National

The New York Times

Article 3 of 9 in National

[◀ Previous](#)

[Next ▶](#)

[Skip to article](#)

[NYTimes.com](#)

[Go to a Section](#)

Welcome, [ctzcrank](#) - [Member Center](#) - [Log Out](#)

▶ **TimesSelect** FREE 14-DAY TRIAL!

SEARCH SPONSORED BY



SEARCH

Behind Louisiana Aid Package, a Change of Heart by One Man

•

[E-Mail This](#)

- [Printer-Friendly](#)
- [Single-Page](#)
- [Reprints](#)
- [Save Article](#)

ARTICLE TOOLS
SPONSORED BY



Published: March 20, 2006

(Page 2 of 2)

Mr. Powell, 64, is from a working-class family in Amarillo, where he helped his father peddle tobacco and snacks to shopkeepers. A football scholarship made him the first in his family to go to college. He began his career by walking into a bank and asking for a job. During the Texas banking crisis of the

1980's, Mr. Powell hauled the Amarillo bank from the brink of failure.

The \$4.2 billion was not his first accomplishment as recovery czar. Until he intervened, state officials had spent hours trying to ensure that the federal government would continue to pick up all recovery expenses, a routine matter that, nevertheless, was authorized for a month at a time.

He also persuaded the president to ask Congress for an additional \$1.5 billion for the state's levee system, doubling the previous request. And he became a go-to guy for local officials who hit snags in issues like debris removal and trailer placement.

But his rejection of the housing buyout plan, called the Baker bill after Representative Richard H. Baker, the Louisiana Republican who created it, infuriated many state officials. State leaders had taken great pains to build support for the plan, which called for the creation of a federal agency to buy and sell damaged property. Mr. Powell caused further outrage by skewering the Baker bill — gratuitously, many thought — in an opinion article in *The Washington Post*.

But he continued to push for an alternative. The first step was to agree on how many houses were damaged, and how badly. Mr. Powell forced Louisiana to justify its figures house by house, using aerial photographs and numbers collected from the Federal Emergency Management Agency, the Red Cross and insurance companies.

He was involved in details including how to reward those who had carried insurance and how to provide incentives for people to rebuild more safely. But he made no promises.

"He's a good poker player," said Andy Kopplin, a former chief of staff for Governor Blanco who is now the executive director of the Louisiana Recovery Authority. "I'd been getting calls and making calls to those guys at 10 o'clock on a Saturday night and sending data sets up. There was an extraordinary effort going on that gave us hope; at the same time, it was never clear to us that we were going to get a breakthrough."

Some Louisiana Democrats suggested the \$4.2 billion was nothing more than damage control by the administration, noting that the president had been hammered for his lack of attention to Hurricane Katrina in his State of the Union address and quickly responded by announcing \$18 billion in new money for the Gulf Coast. Further reviled after rejecting the Baker bill, they say, Mr. Bush opted to devote the \$4.2 billion to Louisiana, which had been shortchanged in an earlier appropriation.

But Mr. Powell said that the entire effort was influenced not by politics, but by hard data. "I'm on a mission, and I can't — while I'm sensitive to it — that can't guide me," he said of public opinion. "I can't be either pushed or held back. I know if we're attempting to do the right thing. I have a conscience. If you're moving, someone's going to be critical."

In the meantime, the flint-souled banker seems to be winning the battle for hearts and minds.

Louisianians who might have been his adversaries have taken to inviting him over for brunch with the family and praising his frugality.

But Mr. Robinette, the talk-show host, reserves the right to change his mind if Mr. Powell starts to deliver bad news despite Mr. Bush's promises to the region.

"It could still be good cop, bad cop," Mr. Robinette said, "and we just haven't seen the bad cop yet."

[< Previous Page](#)

12

[Next Article in National \(3 of 9\) >](#)



[Need to know more? 50% off home delivery of The Times.](#)

Related Articles

-  [White House to Double Spending On New Orleans Flood Protection](#) (December 16, 2005)

Related Searches

- [Hurricane Katrina](#)
- [Louisiana](#)
- [Housing](#)

Inside NYTimes.com



[Choice Tables:](#)
[London](#)



[Max Liebermann at the Jewish Museum](#)



[New Tower Gobbles Up Views](#)



[German Coach, American Ways](#)



[Hardball Questions Replace Softballs](#)

Advertisement



Get the rules
for making the rules
at the anti-drug.com

Go now



 **Most E-Mailed Articles** *The New York Times*

[Past 24 Hours](#) | [Past 7 Days](#)

1. [Why Do So Few Women Reach the Top of Big Law Firms?](#)
2. ['American Theocracy,' by Kevin Phillips: Clear and Present Dangers](#)
3. [Plight Deepens for Black Men, Studies Warn](#)
4. [Music: How Pop Sounded Before It Popped](#)
5. [Wanted: A Few Good Sperm](#)

[Go to Complete List](#)

1. [Silent Struggle: A New Theory of Pregnancy](#)
2. ['American Theocracy,' by Kevin Phillips: Clear and Present Dangers](#)
3. [Knock, Knock. It's Indian Comfort Food.](#)
4. [Study Links Ambien Use to Unconscious Food Forays](#)
5. [Why Do So Few Women Reach the Top of Big Law Firms?](#)

[Go to Complete List](#)

Technology
nytimes.com/tech

Almost
an iPod

Almost
an iPod



[The iPod Nano has some new competition](#)

Also in Tech:

- [Headphones for your music player](#)
- [Most popular MP3 players](#)
- [Buying guide: MP3 players](#)

Advertisements

- [Dell](#)

[\\$399 Dell™ Home Desktop!](#)

www.dell4me.com

- [Anthony Bourdain](#)

[on the Travel Channel](#)

travelchannel.com

- [Be a smart investor](#)

[Explore commodities with Lind eWire](#)

[FREE e-newsletter](#)

[Copyright 2006The New York Times CompanyHomePrivacy](#)
[PolicySearchCorrectionsXMLHelpContact UsWork for UsSite MapBack to Top](#)