

FEB 21 2008



Office of the Federal Coordinator
for Gulf Coast Rebuilding

The Honorable C. Ray Nagin
Mayor
City of New Orleans
1300 Perdido Street, Suite 2E04
New Orleans, LA 70112

Dear Mayor Nagin:

I want to thank you and your staff for your recent efforts in working directly with the Federal Emergency Management Agency (FEMA), my office and the State to address all of the issues surrounding the City's priority Public Assistance (PA) projects in an appropriate and timely fashion. As you know, Dr. Blakely indicated that as your identified representative, future correspondence regarding PA issues should be sent directly to him as he will be working in close coordination with you. I will, of course, continue to work with both your offices to ensure that the highest priority PA projects for the City of New Orleans move forward. I believe that our ongoing partnership and discussions have been critical in identifying and resolving various barriers and circumstances limiting progress on the City's top-five PA projects.

Immediately after receiving your last letter, I requested a meeting among City, State and FEMA principals to address the City's top-five PA projects. **This meeting was held on January 24th, and it is my understanding that Dr. Blakely is satisfied with FEMA's response and the current status of the City's top-five priority PA projects.** In addition, a high-level policy summit was held in Baton Rouge on February 13th and 14th to discuss PA program and policy issues.

Soon following the January 24th meeting of City, State and FEMA principals, FEMA Administrator David Paulison drafted a memo to me detailing the status, actions and problem resolution related to each of the City's PA priorities. **As communicated to me by Administrator Paulison, all are in agreement that significant barriers regarding Public Assistance have been resolved.** I have included that memo for your review.

The recent FEMA/State preparedness and recovery summit held February 13th and 14th presented a unique opportunity for senior FEMA leadership from headquarters and the Transitional Recovery Office to met directly with State and local leaders over a two-day period to thoroughly define and address the outstanding long-term recovery issues facing New Orleans and the State of Louisiana. I am very pleased with the commitment and dedication of all involved to arrive at shared solutions to get projects underway and completed as quickly as possible.

The State took this opportunity to raise a number of program-wide procedural and policy issues that were of common concern for local applicants throughout the state. Each of the PA issues presented by the State are either resolved or are now on a clear and timely path toward

resolution. Most importantly, significant progress was achieved in three critical areas that I think are necessary to move the rebuilding process forward:

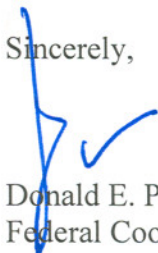
- **Building Local Capacity** (options for cash flow challenges, increasing project management capacity, etc.)
- **Administrative Streamlining** (PW obligation, PW versioning, environmental and historic preservation reviews, etc.)
- **Dispute Resolution** (both *informally* through senior staff and *formally* through the appeals process)

I understand that the City has recently increased its capacity to manage PWs and has issued a notice to proceed to several City-commissioned architecture and engineering firms for design and rebuilding work. I believe this activity will have a tremendous impact on rebuilding projects.

Further, I expect the weekly City/State/FEMA coordination meetings to continue to elevate issues so that they may be addressed more promptly on an informal basis. Regarding the formal appeals process, FEMA Deputy Administrator Admiral Harvey Johnson asked FEMA and the State at last week's policy summit to quickly develop proposals for improving the timeliness and objectivity of the current process. I expect to report progress in this area very soon.

I will continue to dedicate my attention and that of my staff, to monitoring and facilitating an expedited rebuilding process and I look forward to working with you and your office as it moves forward. Thank you for your ongoing dedication and commitment toward working together to create a better future for the residents of New Orleans and Southeast Louisiana.

Sincerely,



Donald E. Powell
Federal Coordinator for Gulf Coast Rebuilding


- cc: The Honorable Bobby Jindal, Governor, State of Louisiana
Paul Rainwater, Executive Director, Louisiana Recovery Authority
Michael Chertoff, Secretary, U.S. Department of Homeland Security
Jim Stark, Acting Associate Deputy Administrator, Gulf Coast Recovery, DHS FEMA
Carlos Castillo, Associate Administrator, Disaster Assistance Directorate, DHS FEMA
William Peterson, Regional Administrator, DHS FEMA Region 6
Edward J. Blakely, Executive Director, Office of Recovery and Development Administration
City of New Orleans
Kenya Smith, Director of Intergovernmental Affairs, City of New Orleans
Warren Riley, Chief of Police, City of New Orleans
Marcia St. Martin, Executive Director, Sewerage & Water Board of New Orleans



FEMA

January 30, 2008

MEMORANDUM FOR: Donald E. Powell
Federal Coordinator for Gulf Coast Rebuilding

FROM: R. David Paulison
Administrator 

SUBJECT: Letter from Mayor C. Ray Nagin to Donald Powell, Federal
Coordinator for Gulf Coast Rebuilding

Following receipt of Mayor Nagin's January 7, 2008 letter to you, Jim Stark, Acting Associate Deputy Administrator for Gulf Coast Recovery and Marc Roy, your Regional Director for Gulf Coast Rebuilding met with Dr. Edward Blakley of the City's Office of Recovery Management and Colonel Tom Kirkpatrick, Louisiana's State Coordinating Officer. At this January 24th meeting, the principals discussed, in detail, the points raised by Mayor Nagin. All agreed that significant barriers to Public Assistance (PA) progress have been resolved.

Additionally, on January 25th, FEMA Louisiana TRO leadership and senior staff, State representatives and Dr. Blakely met at a regularly scheduled PA progress meeting. I am pleased to provide you with the status and resolution to each issue, as agreed upon by attendees at both meetings. These further details will satisfy Mayor Nagin's need for clarification of FEMA's current efforts in the recovery of the City of New Orleans.

1. Police and Fire Department Stations and Substations

FEMA has performed comprehensive damage assessments on all seven police stations and 29 fire stations. Scopes of work, including roof repairs and stabilization, are contained in the repair Project Worksheets (PWs) that have been prepared. To date, FEMA has provided over \$2.7 million dollars for Police Stations and substations and another \$3.1 million dollars for Fire Stations, totaling \$5,867,469.42.

Dr. Blakely acknowledged that FEMA has completed comprehensive damage assessments and current obligations are adequate to get repairs started. The City has selected four Architectural and Engineering (A/E) firms to begin the design and rebuilding process for the City's Department facilities. These firms, while qualified to perform the work, do not have the capacity to address all of the stations. The City has given these four firms "notice to proceed" and begin work on six stations. In addition, the City is in the process of awarding contracts for the design/build of the balance of the fire departments.

2. New Combined Facility (Crime Lab/Property & Evidence/Coroner) and Operating Status of Criminal District Court Building

FEMA continues to work with the City concerning damages and cost estimates and is committed to address any variables that are identified. The City and the Orleans Parish Sheriff's office are interested in pursuing a state of the art master plan upgrading the overall complex and modernizing the overall system. All parties recognize that the costs to implement the master plan will exceed what FEMA can provide through the PA program.

Dr. Blakely explained that the City is coordinating its repair efforts with the Orleans Parish Sheriff and his staff. Additionally, the City is on the verge of hiring a staff member to focus solely on alternate and improved project issues and is moving forward quickly with its project delivery unit. These steps will serve to greatly accelerate capital decisions which need to be made regarding this complex.

FEMA reiterated its commitment to work with the City and the State to employ a "Tiger Team" approach to address any options that may be explored to leverage the City's efforts. Specific FEMA employees have been identified and look forward to this renewed effort to resolve these capital project issues.

3. Sanitation Transfer Station and Warehouse

The City has restored its pre-disaster practice of holding property owners and contractors responsible for the proper handling of debris and is considering re-establishing the pre-disaster drop off site for waste and disposable items. FEMA has obligated \$287,410 to repair damages to the Elysian Field Warehouse and Transfer Station that will address the capital costs associated with the station.

Additionally, FEMA is prepared to address residual debris removal across the City. As discussed with Dr. Blakely, FEMA will work with the City to address the remaining debris removal through a coordinated effort to assess the remaining eligible debris and to initiate a series of final debris passes. This should be integrated with an aggressive effort to enforce current laws to deter illegal dumping. This effort is not intended to solicit additional curbside debris but to remove the residual debris. All agreed that the next step is for the City to develop a demolition and debris plan.

FEMA's Deputy Administrator, Harvey Johnson, recently visited Louisiana and met with new leadership of GOHSEP and LRA, as well as with several southeast Louisiana parish officials. During that roundtable meeting on January 17th, FEMA and the State agreed to work jointly to develop a demolition and debris planning template to assist all local parishes seeking to address remaining debris issues.

4. Mahalia Jackson Theatre for the Performing Arts

FEMA is reviewing the final construction documents for additional eligible scope of work. Once completed, FEMA will then write a version for the additional eligible scope of work, which is estimated to be approximately \$2.5 Million. FEMA will continue to work with the City, its A&E firms and contractors to ensure that all eligible damages have been identified and versions are

written. Follow-up site visits, reviews and versions should be completed within 30 days, upon receiving all documentation from the city.

During our recent meetings, FEMA, the State, and the City agreed that progress at Mahalia Jackson and the working relationship among all three parties is moving ahead smoothly.

5. Sewerage and Water System

FEMA has a dedicated staff working closely with the Sewerage and Water Board of New Orleans (SWBNO) to expeditiously address all claims. Recent accomplishments include:

- the identification of major water leaks through the use of a water distribution system model,
- funding for the removal of approximately 50,580 water meters and capping of lines from vacant properties, and
- funding for the replacement of five of nine steel can pump stations and the repair of the remaining four stations.

Since SWBNO has several major repair projects and reduced staff, FEMA has worked with Board staff to provide funding for project management for large water, sewer and drainage projects. These initiatives will accelerate SWBNO's ability to reduce water losses to pre-storm loss levels.

During FEMA Deputy Administrator Johnson's recent visit to SWBNO's East Bank Wastewater Treatment Plant, Executive Director, Marcia St. Martin expressed her satisfaction with FEMA progress and cooperation. It is my understanding that she sees no barriers to continued recovery progress.

6. Timely Versions and Appeals Resolutions

Versions. Typically, in order to prepare an updated PW version, additional supporting information is required. This may involve additional site visits, A/E design plans and costs, etc. The City may or may not have this information ready at the time of the version request. FEMA can only version the PW when all necessary documentation is received and reviewed. However, as change orders are received, FEMA is committed to quickly addressing estimated increased costs and obligating those funds while detailed change order information is developed and considered.

Appeals. FEMA's appeals process is outlined in Title 44 of the Code of Federal Regulations (CFR) Part 206. Modification of the appeal process may require congressional legislation and not an agency change of policy. FEMA's approach is governed by the agency's commitment to thoroughly review the Applicants' claim(s) and provide a timely response. The FEMA Appeals team is not involved in the development of PWs and this team utilizes all appropriate FEMA laws, regulations, and policy to provide an unbiased recommendation for each appeal. Therefore, in effect, there is a third party review of every appeal. During Deputy Administrator Johnson's roundtable discussion with the southeast parishes, FEMA committed to work with the State to review the current appeals process and identify ways to expedite and ensure fairness in the process.

For the City, 105 appeals have been received by FEMA; 85 are complete and 20 are in process.

7. Definitive Determination of Repair vs. Replacement

At this time, and confirmed by the January 24th meeting, Dr. Blakely agrees there are no pending repairs vs. replacement calculations for any of the facilities within the New Orleans footprint. It was again reaffirmed that FEMA remains open to consideration and review of future identification of damages and to providing updated determinations in a timely manner.

Additionally, FEMA continues weekly coordination meetings with the City. The attendees include the City Capital Projects Department, GOHSEP and FEMA. Project issues regarding damage assessment revisions, scope alignments, and replacement determinations are addressed in this forum. These regular meetings provide us an opportunity to address issues and concerns collaboratively, and in real time.

I am encouraged by, and pleased with, the recent meetings at the FEMA, City, State and OFC field level. Through this venue, a new sense of clarity of the issues was reached. I am convinced that major barriers or major unresolved issues facing infrastructure recovery simply do not exist. I am highly optimistic the FEMA, state, and local team in place in New Orleans and Louisiana can capitalize on the past efforts, lean forward to overcome obstacles, and continue to make significant recovery to the positive benefit of the citizenry, state of Louisiana and nation as a whole.

Cc: James Stark, Director, FEMA LA Transitional Recovery Office
Carlos Castillo, Associate Administrator, Disaster Assistance Division
William Peterson, Regional Administrator, FEMA Region VI