

**Congress of the United States**  
**Washington, DC 20515**

March 6, 2007

Director R. David Paulison  
Federal Emergency Management Agency  
500 C Street, S.W.  
Washington, D.C. 20472

Dear Director Paulison:

We are writing regarding contract procurement and project worksheet deficiencies among St. Bernard Parish government (SBP), the Unified Recovery Group (URG), and the Federal Emergency Management Agency (FEMA).

Due to contract agreements between SBP and URG and the time-sensitive nature of certain debris removal and demolition projects, URG decided to move forward with projects despite incomplete and/or deficient Project Worksheets (PW). SBP and URG, with the belief that the contracts in question were appropriately secured, admittedly took great financial risk in undergoing these projects without complete or fully obligated PWs. URG is carrying \$75 million for work done, including \$28 million for pumping and transporting sewage to a treatment plant. URG understands how essential these projects are, particularly the sewage pumping project, and the implications of halting this essential work, but URG reports that it will be unable to continue the projects without compensation. SBP is considering bankruptcy, indicating their inability to pay URG.

URG and SBP contend that many Project Worksheets (PW) for projects in St. Bernard parish were grossly underestimated. SBP asserts that it is \$30 million under funded for demolition and debris work done as of December 31, 2006.

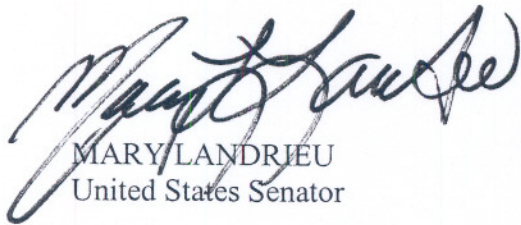
In an effort to address these issues, SBP asked Louisiana's Office of Homeland Security (GOSHEP) on November 27, 2006, to request a joint meeting of FEMA, GOSHEP, SBP, and URG. The meeting was held on February 6, 2007. FEMA did not attend this meeting. According to an email from Jason Nelson of FEMA Legislative Affairs, the original meeting was scheduled for February 5, 2007, but it was cancelled. They did not receive an invitation from the state to the re-scheduled February 6 meeting so did not attend. FEMA holds they cannot attend meetings without an invitation from the state government since FEMA works directly with the state and not local governments or contractors.

SBP requested that the meeting be rescheduled for February 15, 2007, but FEMA responded to GOSHEP and SBP that they would not attend because, "it was such short notice," a "contract issue between SBP and URG – not our issue," and "will not attend a meeting with a contractor."

We understand statutory requirements and agency policy, but Hurricane Katrina and Rita recovery and rebuilding efforts have been greatly impeded by bureaucracy. However, we

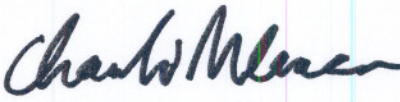
must address pressing needs, and the issues between FEMA, SBP, and URG are urgent. If URG is unable to continue its sewage pumping project, St. Bernard public officials tell us there will literally be sewage in the streets, thus causing a health hazard to the residents trying to return to St. Bernard.

These issues are indeed complex and need further discussion among the interested parties. The prompt resolution of these issues among SBP, URG, and FEMA will assist in accelerating much needed rebuilding in the parish. We formally request that you facilitate a meeting among FEMA, SBP, GOSHEP, and URG to address and resolve these outstanding issues as soon as possible.



MARY LANDRIEU  
United States Senator

Sincerely yours,



CHARLIE MELANCON  
Member of Congress

cc: Gil H. Jamieson  
Deidre Lee  
Donald E. Powell  
Colonel Jeff Smith  
Henry Rodriguez  
Lawrence Green