

President Bush Requests Funds for New Orleans Levees

Today's Presidential Action:

Today, President Bush asked Congress for an additional \$2.2 billion in emergency funding to improve and increase the level of hurricane and storm protection provided by the levees in the New Orleans area. Funds requested today for levees are in addition to the President's \$1.46 billion supplemental appropriation request for New Orleans levees and environmental restoration work currently pending in Congress. This additional \$2.2 billion request brings the President's total pending supplemental request for the U.S. Army Corps of Engineers to \$3.7 billion. Today's \$2.2 billion request is offset by a \$2.2 billion reduction in the amount requested on February 16 for the Federal Emergency Management Agency's (FEMA) Disaster Relief Fund.

The work funded by this request will further enhance the area's flood and storm protection so levees meet the base flood-elevation-level guidance set by FEMA. Today's funding request also follows through on the commitment made last week by Federal Coordinator for Gulf Coast Rebuilding Donald E. Powell that the Administration would work with Congress to provide additional levee funding beyond that already requested. Today's request for the Corps of Engineers includes:

- \$1.6 billion to replace I-walls with stronger T-walls as needed in the Lake Pontchartrain and Vicinity and West Bank and Vicinity levee projects.
- \$495 million to raise and enhance the levees in the Lake Pontchartrain and Vicinity and West Bank and Vicinity levee projects to bring the levees up to a certifiable level and to provide further protection against a 100-year flood (defined as a flood with a one percent annual chance of occurring).
 - This work would be cost-shared at a maximum 65 percent Federal and minimum 35 percent (not to exceed 50 percent) non-Federal level, with the funds requested today by the President covering the Federal share of the project, estimated to cost \$762 million in total. The non-Federal share could be a combination of cash and non-cash contributions, such as land and engineering assistance.
 - The Administration intends to exercise flexibility in the scheduling and form of the non-Federal sponsor's required contribution for this effort.
- \$155 million to incorporate the non-Federal levee on the west bank of the Mississippi River in Plaquemines Parish into the existing Federal levee system. This is in addition to funds previously requested for this work and brings the total funding request for the project to \$215 million.

Levee Summary:

The total requested funding and already appropriated funding would give the Corps of Engineers close to \$6 billion dollars to complete levee repairs, make the levees stronger and better by 2010, and begin to restore the wetlands surrounding greater New Orleans.

The American People Have Made An Unprecedented Commitment To The Gulf Coast

- **The Administration and Congress have already made available over \$87.5 billion in direct relief to the Gulf Region.** These funds have gone to immediate relief, recovery, and rebuilding efforts, paying more than 200,000 flood insurance claims, and Federal agency relief and recovery operations and facility reconstruction.
- **Gulf Opportunity Zones are providing tax relief for businesses affected by Hurricane Katrina.** On December 21, 2005, the President signed into law the Gulf Opportunity (GO) Zone Act to reinvigorate the Gulf Coast economy by increasing business expensing and accelerating bonus depreciation, expensing for demolition and cleanup expenses, and net operating loss carry-backs.
- **Private individuals, groups, and businesses have contributed more than \$3 billion to charities supporting Hurricane Katrina relief efforts.** Private individuals, groups, and businesses have responded to the President's speech in Jackson Square, New Orleans, on September 15, 2005, calling for all Americans to help those affected by Hurricane Katrina. More than \$3 billion has been contributed in support of faith-based and community organizations and disaster relief agencies.

The Administration is Providing Local Officials the Resources Necessary to Rebuild

- To date, the Administration has obligated more than \$36.5 billion for disaster assistance, Small Business Administration loans, and flood insurance claims in Louisiana; \$11.5 billion in Mississippi; and \$8.1 billion total in Alabama, Texas, and Florida, with millions more going to other states assisting relief efforts.