

THE WHITE HOUSE
WASHINGTON

April 25, 2006

Dear Mr. Speaker:

To provide additional resources to assist the greater New Orleans region to continue its recovery from the devastation of Hurricane Katrina, I ask the Congress to consider the enclosed requests for an additional \$2.2 billion for the Army Corps of Engineers (Corps), which is in addition to amounts requested on February 16th. This additional amount is offset by a \$2.2 billion reduction in the amount requested on February 16th for the Federal Emergency Management Agency's Disaster Relief Fund.

The revised Corps request, which now totals \$3.7 billion, replaces the previous supplemental request for the Corps that was submitted on February 16th. This revised request supports the Administration's commitment to further enhance the levee system in parts of the New Orleans area to meet Federal 100-year standards of protection.

I designate these proposals in the amounts requested herein as an emergency requirement.

The details of these requests are set forth in the enclosed letter from the Acting Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert". The signature is stylized and cursive, with a large loop at the end.

Enclosure

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C. 20515



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 25, 2006

The President
The White House

To continue your Administration's efforts to respond to the significant needs of hurricane-affected States, I submit for your consideration revised supplemental proposals for the Army Corps of Engineers (Corps) and the Federal Emergency Management Agency (FEMA). These proposals replace your earlier proposals of \$1.5 billion for the Corps and \$9.4 billion for FEMA that were transmitted to the Congress on February 16th.

The Corps' revised request, which now totals \$3.7 billion, follows through on the Administration's commitment announced last week by Federal Coordinator for Gulf Coast Rebuilding Don Powell to further enhance protection of levees in parts of the New Orleans area to meet the FEMA's 100-year standard of protection. The \$2.2 billion increase over your previous request for the Corps is offset by reducing the amount previously requested for the Federal Emergency Management Agency's Disaster Relief Fund from \$9.4 billion to \$7.2 billion. I recommend that you designate the proposals contained in this transmittal as emergency requirements.

As described below and in more detail in the enclosures, the requests for the Corps include the following:

- \$1.6 billion in additional funding for reinforcing or replacing flood walls where necessary to enhance the performance of these structures for storms including the 100-year base flood.
- \$530 million to modify drainage canals and install state-of-the-art pumping stations and floodgates at the outfall ends of three drainage canals.
- \$495 million in additional funding for the Federal cost share (at 65 percent) of raising levee heights.
- \$350 million for improved protection along the Inner Harbor Navigation Canal.
- \$250 million to storm-proof authorized pump stations in Jefferson and Orleans parishes.

- \$215 million (\$155 million above the previous request) to incorporate a non-Federal levee on the west bank of the Mississippi river in lower Plaquemines Parish into the existing Federal levee system to protect an evacuation route.
- \$170 million to armor critical elements of the hurricane and storm protection system.
- The Administration's request also proposes to authorize appropriations from the general fund for coastal wetlands restoration efforts under the Coastal Wetlands Planning, Protection and Restoration Act, in locations where these efforts will also reduce the risk of storm damage to the greater New Orleans metropolitan area. Initial funding of \$100 million is requested for this purpose.

I have reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of the Army and the Secretary of Homeland Security in recommending that you transmit the proposals to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Clay Johnson III". The signature is fluid and cursive, with a large initial "C" and "J".

Clay Johnson III
Acting Director

Enclosures

Revised Request

DEPARTMENT OF HOMELAND SECURITY

FEDERAL EMERGENCY MANAGEMENT AGENCY

Disaster Relief Fund

For an additional amount for "Disaster Relief" for necessary expenses under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), \$7,165,700,000, to remain available until expended: Provided, That Congress designates this amount as an emergency requirement for this specific purpose.

This amended request would reduce the Administration's previous request for the Federal Emergency Management Agency (FEMA) by \$2,234,300,000 for disaster relief associated with Hurricane Katrina and the other hurricanes of the 2005 season.

As detailed in the previous request, this funding will replenish funding that was reallocated from the Disaster Relief Fund in P.L. 109-148. This funding will support ongoing response efforts, including assistance to families and individuals so that they can be sheltered and provided with medical care, housing assistance, and other FEMA disaster assistance benefits. Additionally, funding will support public assistance, emergency protective measures, debris removal, and response activities performed by other Federal agencies pursuant to mission assignments from FEMA under the Stafford Act. The February 16th request level was developed to provide sufficient funding to continue recovery efforts uninterrupted through fiscal year 2007. Based on current information and projections, this revised request would provide sufficient resources to continue Federal disaster response and relief efforts through early calendar year 2007.

Revised Request

CORPS OF ENGINEERS—CIVIL WORKS

Construction

For an additional amount for “Construction” for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$595,300,000, to remain available until expended, of which \$100,000,000 shall be used to reduce the risk of storm damage to the greater New Orleans metropolitan area, at full federal expense, by restoring the surrounding wetlands through measures to begin to reverse wetland losses in areas affected by navigation, oil and gas, and other channels and through modification of the Caernarvon Freshwater Diversion structure or its operations; \$495,300,000 shall be used consistent with the cost-sharing provisions of Section 103 of the Water Resources Development Act of 1986, as amended, (33 U.S.C. 2213) to raise levee heights where necessary and otherwise enhance the existing Lake Pontchartrain and Vicinity project and the existing West Bank and Vicinity project to provide the levels of protection necessary to achieve the certification required for participation in the National Flood Insurance Program under the base flood elevations current at the time of this construction: *Provided*, That any project using funds appropriated herein shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary of the Army to pay 100 percent of the operation, maintenance, repair, replacement and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That Congress designates this amount as an emergency requirement for these specific purposes.

The request includes \$495 million for the Federal share of initial costs of raising levee heights of the existing Lake Pontchartrain and Vicinity project and the existing West Bank and Vicinity project, not including lower Plaquemines Parish. Raising the heights of these levees will improve the level of protection to achieve certification for continued participation in the National Flood Insurance Program administered by the Federal Emergency Management Agency (FEMA) at the base flood elevations current at the time the Chief of Engineers recommends the project for construction funding. Raising the levees to this height is important to allow FEMA to provide flood insurance for these areas, which contained 98 percent of greater New Orleans’ pre-Katrina population. The request proposes to require non-Federal cost-sharing consistent with the statutory cost-sharing requirement for such projects, which is a minimum non-Federal share of 35 percent and not to exceed 50 percent of the total project cost. The Administration intends to exercise flexibility available in current law and policy regarding the timing and form of the non-Federal contribution.

This proposal would also provide an additional \$100 million to the Corps of Engineers to reduce the risk of storm damage to greater New Orleans by restoring the surrounding wetlands. These funds are needed to help reduce the risk of loss of life and damage to homes, businesses, and local infrastructure in the metropolitan area.

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The Corps would use these funds to begin to reverse wetland losses in areas affected by navigation, oil and gas, and other channels and to improve the performance of the Caernarvon Freshwater Diversion Structure. The wetlands surrounding greater New Orleans operate as a natural buffer to lessen storm impacts, and are an important part of the overall storm damage reduction system. Nourishing and rebuilding these wetlands will increase the effectiveness of the levees and floodwalls of New Orleans.

Revised Request

CORPS OF ENGINEERS—CIVIL WORKS

Flood Control and Coastal Emergencies

For an additional amount for "Flood Control and Coastal Emergencies," as authorized by section 5 of the Flood Control Act of August 18, 1941, as amended (33 U.S.C. 701n), for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$3,099,000,000, to remain available until expended: *Provided*, That the Secretary of the Army is directed to use the funds appropriated herein to modify, at full Federal expense, authorized projects in southeast Louisiana to provide hurricane and storm damage reduction and flood damage reduction in the greater New Orleans and surrounding areas; of the funds provided herein, \$530,000,000 shall be used to modify the 17th Street, Orleans Avenue and London Avenue drainage canals, and install pumps and closure structures at or near the lakefront; \$250,000,000 shall be used for storm-proofing interior pump stations to ensure their operability during hurricanes, storms and high water events; \$170,000,000 shall be used for armoring critical elements of the New Orleans hurricane and storm damage reduction system; \$350,000,000 shall be used to improve protection at the Inner Harbor Navigation Canal; \$215,000,000 shall be used to replace or modify certain non-Federal levees on the west bank of the Mississippi River in Plaquemines Parish to incorporate them into the existing New Orleans to Venice hurricane protection project; and \$1,584,000,000 shall be used for reinforcing or replacing floodwalls, where necessary, in the existing Lake Pontchartrain and Vicinity project and the existing West Bank and Vicinity project to improve the systems' performance: *Provided further*, That any project using funds appropriated herein shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That Congress designates this amount as an emergency requirement for these specific purposes.

This request would provide a total of \$3.1 billion for this account for several measures necessary to achieve the President's commitment of stronger and better protection for New Orleans, Louisiana. The proposal includes:

- \$1.6 billion for replacing I-walls with T-walls where necessary in the Orleans East Bank, Algiers, Jefferson East Bank/St. Charles, Jefferson West Bank, New Orleans East, St. Bernard/Lower Ninth Ward, Belle Chasse/Algiers East hydraulic areas of the existing Lake Pontchartrain and Vicinity project and the existing West Bank and Vicinity project, not including lower Plaquemines Parish. Replacing I-walls with T-walls will be necessary in some locations to improve the performance of the system to the base flood elevation, established by the Federal Emergency Management Agency, current at the time the Chief of Engineers recommends the project for construction funding.

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- \$530 million to modify three interior drainage canals (17th Street, Orleans Avenue, and London Avenue) and install state-of-the-art pumping stations and closure structures at the outfall ends of the canals. The closure structures will help prevent storm surge from Lake Pontchartrain from entering the canals and the new pumping stations will convey water from the canals to the lake.
- \$350 million for improved protection along the Inner Harbor Navigation Canal (IHNC), which could be used to construct two closure structures, one at Seabrook, where the IHNC enters Lake Pontchartrain and another on the Gulf Intracoastal Waterway.
- \$250 million to storm-proof existing authorized Federal pump stations in Orleans and Jefferson parishes. Storm-proofing measures will provide more protection against hurricane force winds, storm surge and inundation so the drainage pumps and equipment can remain operable during hurricanes, storms, and high water events.
- \$215 million for incorporating certain non-Federal levees by replacing or modifying these existing levees on the west bank of the Mississippi River in Plaquemines Parish. Incorporating, replacing or modifying these non-Federal levees will provide a hurricane protection system commensurate with the level of protection authorized for the Federal New Orleans to Venice hurricane protection project in order to protect the evacuation route.
- \$170 million for armoring of levees and floodwalls at critical portions of the New Orleans hurricane and storm damage reduction system, including structural transition points such as pipeline crossings or junctures between levees and floodwalls; floodwalls susceptible to scour and erosion; and certain sections of levees exposed to extreme surge and wave wash.