



ST. BERNARD PARISH GOVERNMENT

8201 West Judge Perez Drive • Chalmette, LA 70043
(504) 278-4200 • Fax (504) 271-7343

August 24, 1994

Honorable Billy Tauzin
U.S. House of Representatives
2330 Rayburn Building
Washington, D.C. 20515

RE: U.S. Corps of Engineers

Dear Congressman Tauzin:

We appreciate your efforts to relieve St. Bernard Parish's Government financial burden in connection with the costs imposed by the U.S. Government for flood protection necessitated by construction of the Mississippi River Gulf Outlet.

To improve our Financial Statement presentation, we have adopted the position that the debt is in the mitigation process and is in fact further in the process of being forgiven entirely through the legislative process. In so doing, we have chosen to remove the total amount from our balance sheet presentation and instead disclose the potential liability in our notes to financial statements.

Our auditors, being necessarily cautious, have insisted that they can not allow such presentation without serious report qualification unless we are able to show substantive proof of the reason for our presentation.

To that extent, we request that your office prepare and forward to me under your letterhead a statement to the effect that no payments are presently due under the agreement with the United States pending the results of a cost benefit study presently underway by the U.S. Army Corps of Engineers and that future payment demand, if any, will be based on a percentage of benefits derived by the Parish from the MRGO, and that further, there is presently underway a bill which will completely remove any obligation on the part of St. Bernard, Parish, regardless of the results of the Corps study.

If you could provide an update on the status of the bill currently before Congress, it would sure be helpful. Of course it would be most helpful if you could tell us the bill has become law.

Any thing you can do in this connection would be most helpful. Your continued assistance is most appreciated, and if I can be of assistance or you should need any further information, please contact me.

Very truly yours,

JOHN L. CARNEY,
CHIEF ADMINISTRATIVE OFFICER

JLC:dan

BILLY TAUZIN

THIRD DISTRICT, LOUISIANA

ENERGY AND COMMERCE COMMITTEE
MERCHANT MARINE AND FISHERIES COMMITTEE
CHAIRMAN, COAST GUARD AND
NAVIGATION SUBCOMMITTEE

WASHINGTON OFFICE:
TELEPHONE, 202-225-4031
2330 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

Congress of the United States
House of Representatives
Washington, DC 20515-1803

DISTRICT OFFICES:

TELEPHONE: 504-589-6366
501 MAGAZINE STREET
SUITE 1041
NEW ORLEANS, LA 70130

TELEPHONE: 504-876-3033
FEDERAL BUILDING, SUITE 107
HOUMA, LA 70360

TELEPHONE: 318-367-8231
210 EAST MAIN STREET
NEW IBERIA, LA 70560

TELEPHONE: 504-621-8490
ASCENSION PARISH COURTHOUSE EAST
828 SOUTH IRMA BLVD.
GONZALES, LA 70737

August 25, 1994

Colonel Kenneth Clow
District Engineer
U.S. Army Corps of Engineers
New Orleans District
P.O. Box 60267
New Orleans, LA 70160-0267

Dear Colonel Clow:

Enclosed please find correspondence from St. Bernard Parish regarding their burden in connection with the costs imposed by the U.S. Government for flood protection necessitated by construction of the Mississippi River Gulf Outlet.

In order to comply with certain auditing procedures, parish officials are requesting a statement on letterhead from the Corps stating that no payments are presently due regarding this project. It is my understanding that subsequent action by the Secretary has not been taken in relation to the study required by the Water Resources Development Act of 1990 (P.L. 101-640, Section 116 (k)).

In addition, Section 102(j) of the Water Resources Development Act of 1992 (P.L. 102-580) directs the Secretary to reevaluate all relevant information associated with the costs to and the benefits lost by St. Bernard Parish and the Lake Borgne Levee District due to the construction of the MRGO and the subsequent hurricane protection levee placement. In addition, this reevaluation should include the environmental damage caused by these projects and changes in federal regulations of wetlands designation that have contributed to the loss of expected economic benefits to the parish.

Since the Secretary has not taken subsequent action under the provisions of the Water Resources Development Act of 1990, the reevaluation requested in the Water Resources Development Act of 1992 has not been undertaken and payments are therefore not required until such action is taken or other Congressional action is required. In conversations and communications with Corps officials, I have been told that this liability is in a dormant state.

This statement would be of tremendous benefit to the parish as it attempts to improve its financial statement presentation. Please forward such correspondence to my office and to St. Bernard Parish government offices. Any assistance your office can provide regarding this matter will be greatly appreciated. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Billy Tauzin". The signature is written in dark ink and is positioned above the printed name.

BILLY TAUZIN
Member of Congress

BT/djc
Enclosure

August 30, 1994

Programs and
Project Management Division

Mr. Lynn Dean, President
St. Bernard Parish
8201 West Judge Perez Drive
Chalmette, Louisiana 70043

Dear Mr. Dean:

This is in reference to the local share of the St. Bernard Parish portion of the Lake Pontchartrain, Louisiana and Vicinity hurricane protection project.

Section 116(k) of the Water Resources Development Act of 1990 required a restudy and report of anticipated and actual project benefits and directed that no demand for payment be made of St. Bernard Parish until the report was completed.

This office completed the required report in September 1991 and it was submitted to the Congress in September 1992. We will not demand any further payments from St. Bernard Parish pending final action on the report.

Sincerely,

Cletis R. Wagahoff
Deputy District Engineer
for Project Management



DEPARTMENT OF THE ARMY
OFFICE OF THE ASS. STANT SECRETARY
WASHINGTON, DC 20310-0103



REPLY TO
ATTENTION OF

18 SEP 1992

Honorable Thomas S. Foley
Speaker of the House
of Representatives
Washington, D. C. 20515

Dear Mr. Speaker:

In response to Section 116(k) of the Water Resources Development Act of 1990, I am submitting the views and recommendations of the Secretary of the Army on a study done by the Army Corps of Engineers on the need to reallocate the cost of the Lake Pontchartrain, Louisiana and Vicinity Hurricane Protection Project.

At this time, the Secretary finds that reallocation of the project costs is not warranted. The project sponsors either have received or will receive a reasonable level of benefits expected by implementation of the project. The study is described in the report dated September 1991 from the New Orleans District Engineer, copy enclosed.

The Office of Management and Budget advises that there is no objection to the submission of the report to the Congress.

Sincerely,

G. Edward Dickey
Acting Assistant Secretary of the Army
(Civil Works)

Enclosure

CRC
CECW-2
CECW-PC
ASA(CW) DOLA
SACW (File, Read, Sign)
SEC116.LA/Sep 11, 92/JS
SDC/51370
SA#1103105

Enclosure 2



DEPARTMENT OF THE ARMY

NEW ORLEANS DISTRICT, CORPS OF ENGINEERS

P.O. BOX 60267

NEW ORLEANS, LOUISIANA 70160-0267

September 20, 1994

REPLY TO
ATTENTION OF

100 00
~~3-PT~~ 17m
2a Tom Hill
③ P. M.
CAMPBELL
P. M.
Box files

Programs and
Project Management Division

Honorable Billy Tauzin
House of Representatives
Washington, DC 20515-1803

Dear Mr. Tauzin:

This is in response to your August 25, 1994 letter concerning the St. Bernard portion of the Lake Pontchartrain, Louisiana and Vicinity hurricane protection project.

The letter you requested was sent to St. Bernard Parish President Lynn Dean on August 30, 1994. A copy is enclosed as enclosure 1.

In reference to Section 116 (k) of the Water Resources Development Act of 1990, the reevaluation was done and a report was submitted to the Speaker of the House of Representatives by a September 18, 1992 letter from the Acting Assistant Secretary of the Army (Civil Works). This letter concluded that no reallocation of project cost is warranted. A copy of this letter is enclosed as enclosure 2.

The Lake Pontchartrain hurricane protection project was not necessitated by the construction of the Mississippi River Gulf Outlet (MRGO) but is required to protect the sea level and lower areas of metropolitan New Orleans from hurricane induced flood tides that inundate the sea level coastal area of southern Louisiana with or without the MRGO.

Environmental damages caused by the MRGO are being addressed by that project at full Federal cost and are not included in the St. Bernard Parish share of the hurricane protection project. The funds owed by St. Bernard are for a debt incurred by Federal financing of the local share of protecting the Parish from the hurricane induced flood tides.

Given the Congressional actions taken and reports written, this District will not demand payment of this debt until there is a final resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Clow", written in a cursive style.

Kenneth H. Clow
U. S. Army, Colonel
District Engineer

Enclosures