

The White House  
Washington

**FAX COVER SHEET**

**OFFICE OF DOMESTIC POLICY**

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FROM: Kathi Way

DATE: November 19, 1993      TIME: 4:15

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**COMMENTS:**

Please distribute to Dee Dee Myers, Mark Gearan  
and Roy Neel.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR MACK MCLARTY

FROM: KATHI WAY

DATE: NOVEMBER 19, 1993

RE: POLICY CHANGE ON MIDWEST LEVEE RECONSTRUCTION

I have attached a copy of a press release that will allow for the rebuilding of an additional \$18 million of levees in the midwest. This money is being made available as a result of ongoing conversations with Congressional Members from the Midwest and Governor Carnahan's office.

About three weeks ago it was brought to the attention of the Interagency task force on Midwest Flood Recovery that the decisions regarding the repair/rebuilding of levees in the midwest was not being carried out in a consistent manner. In addition, concerns arose about the rebuilding of levees that were not part of the Army Corp or Soil and Conservation Service program but were essential to the preservation of public infrastructure and/or communities. Based on those concerns, the Interagency Group proposed a policy that would clarify Army Corps and Soil and Conservation Service criteria for levee rebuilding and allow for the rebuilding of a "handful" of additional levees, at FEMA expense, that were necessary to preserve public infrastructure and communities.

Simultaneously, Governor Carnahan's office and several Senate/House Members (Danner, Bond, etc.) were working on a package of their own. That "compromise" started as \$1 Billion, became \$150 Million and finally \$50 Million to be added to the Volkmer Bill as increased authority, no additional money was included. That agreement was worked out with Director Panetta over the weekend. Unfortunately, the Volkmer Bill moved forward before the language was worked out and there was not another vehicle for the amendment.

Over the course of this week, the Interagency Group has worked to find a solution to this levee problem that would maintain the integrity of the Army Corps program, allow for the

reconstruction of levees essential to the preservation of public infrastructure and communities and not allow for the rebuilding of levees that are not essential. We have worked with EDA to craft the attached agreement. This agreement :

- 0 Provides \$18 Million in Federal funds for the rebuilding/reconstruction of levees not currently covered by the Corps.
- 0 Requires a 75/25 match, as opposed to the 80/20 match for those who participated in the Army Corp program before the flood.(5% of the 25% must be cash or cash equivalent)
- 0 Requires a Public Sponsor that will agree to become part of the Corps program after the levee is repaired.

Frankly, we think this is a good deal. It is real money, not an empty box. It allows for the repair of levees that are essential, but leaves no surplus for others and will indirectly encourage the relocation of areas that are most in danger of repeated flooding. Governor Carnahan's office is quite unhappy with the compromise. They believe it is too little in dollars. Unfortunately, Senator Bond and Congresswoman Danner misrepresented the amendment language and people in the midwest believe the amendment would have added \$50 Million new dollars. I believe Governor Carnahan can basically take credit for this additional money. If he had not worked on the amendment on the Hill we would have produced a compromise that would have repaired only a "handful" of additional levees. If the amendment had passed it was only a question of time before people realized there was no more money.

We have released the attached press release with Director Panetta's knowledge and agreement. You can reach me this evening in Delaware at 302-834-0789 and tomorrow in D.C. by beeper, 4453.



*Mike Espy*  
SECRETARY OF  
AGRICULTURE

# MIDWEST FLOOD RECOVERY

*James L. Witt*  
DIRECTOR, FEDERAL  
EMERGENCY MANAGEMENT  
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## INTERAGENCY TASK FORCE

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### ADMINISTRATION ANNOUNCES ADDITIONAL \$18 MILLION FOR LEVEE REPAIR IN THE MIDWEST

WASHINGTON, Nov. 19 -- The Federal Interagency Task Force on Midwestern Flood Recovery announced today that up to \$18 million in additional assistance will be available for levee repair in the Midwest.

The announcement came in conjunction with a clarification of the federal levee policy and expands federal participation to include the Economic Development Administration (EDA). The Army Corps of Engineers (Corps) and the Soil Conservation Service (SCS) are the other federal agencies involved in levee repair.

In some cases, levees within the Corps' geographic area are ineligible to receive assistance because of lack of participation by a public sponsor prior to the 1993 Midwest flood. In those cases, if it is determined that levees otherwise ineligible for federal assistance, protects critical public infrastructure, it will be eligible for assistance from the EDA under the following conditions:

--a public sponsor is identified and can provide all lands easements, rights-of-way, and dredged material disposal areas necessary for the project;

--the sponsor can provide 25 percent of the costs of construction of the project of which 5 percent must be paid in cash or cash-equivalent (as opposed to in-kind services) from non-Federal sources.

--the sponsor agrees to include its levee in the Corps program and enters into a written agreement acknowledging that future Federal assistance will be conditional upon the sponsor's continued participation in the program.

In carrying out this program, EDA will coordinate with the Corps of Engineers to assure that the levee meets all necessary Corps criteria and that future eligibility in Corps programs can be maintained. The final decision as to whether or not a levee will be repaired under this program will be solely that of EDA.

The Corps has general authority on levees with drainage areas of more than 400 square miles. The Soil Conservation Service (SCS) has general authority for levees with drainage area of less than 400 square miles.

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Levees are eligible for repair under the SCS's Emergency Watershed Protection (EWP) program when there is a potential loss of life or property if the repairs are not done; the benefits associated with repairing the levee exceed the cost of levee repairs and other levee-dependent costs (such as cropland restoration, facility repairs, and structure repairs) that should occur only if the levee is rebuilt; and the levee owner agrees to meet SCS's eligibility requirements for engineering and maintenance.

Eligibility, however, does not guarantee that the levee will be repaired. SCS will use the following criteria to prioritize levees:

- type of property protected by the levee
- past performance of sponsors
- past record of operations and maintenance
- environmental impact, and
- local rules and regulations.

In a small number of cases, levees in the SCS's geographical areas have been retained in the active status of the Corps Public Law 84-99 program. These levees will be treated as if they were in the Corps area. If the Corps determines that they are not eligible for PL 84-99 assistance, they will not be repaired by any other agency.

While this announcement only addresses levee repair, the Interagency Task Force on the Midwest Flood Recovery continues to work on policies and programs that will help the flood victims through this tragedy.

This policy clarification is a result of cooperation between federal and state agencies and was encouraged by Missouri Governor Mel Carnahan and other members of the Midwest congressional delegation.

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