



U.S. Department of
Transportation

Office of the Secretary
of Transportation

Chief of Staff

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Washington, D.C. 20590

C. Varney

FAX TRANSMISSION COVER

Date: 8 / 5 / 93

TO:

Hon. Carol Rasco

FAX:

456-2878

FROM:

Ann Bormolini

Office: (202) 366-1103

FAX: (202) 366-3956

Number of pages transmitted, including this page:

3

MESSAGE:

Christine: In Kathy's
absence can you
advise me if

this is being
addressed
already in the
overall

strategy
we should

I do
something?

CHase



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

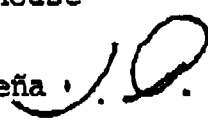
August 5, 1993

Memorandum For: The Honorable Mike Espy
Secretary of Agriculture

The Honorable James L. Witt
Director, Federal Emergency Management Agency

The Honorable Carol Rasco
Assistant to the President and
Director, Domestic Policy Council

The Honorable Mack McLarty
Chief of Staff
The White House

From: Federico Peña 

Subject: Reconstruction of the Mississippi Basin Levee
and Transportation Systems

Summary

As the Government initiates its rebuilding activities in the Midwest, we should develop a clear strategy to guide our activities. The strategy should consider the river system as a whole and should be based on developing consensus among the affected communities, the private sector, Government and environmental groups. The strategy would be designed to balance competing river interests and might result in a system that is substantially different than what existed before the flood.

Background

The Department of Transportation has received inquiries about the Administration's views on the rebuilding of the infrastructure once the Mississippi Basin flooding has abated. Questions have been raised in the press about the wisdom of the Government's past efforts to control the river system.

Environmental interests have suggested that the flooding demonstrates that efforts to control the rivers have failed. They argue that the levees have also caused serious damage to wetlands and the environment. They suggest that, in certain instances, it might make more sense to restore the original river flood plains and wetlands areas rather than reconstructing the levee system in substantially the same way it existed before the

flooding.

On the other hand, farmers and river users have stressed the need to restore the infrastructure to get the economy going in the area. They place the highest priority on minimizing the dislocation and restoring operations.

In the absence of an overall strategy for rebuilding, competing interests will all try to advance their individual points of view while blocking conflicting efforts. Unless some effort is made to reconcile the differing points of view, there is a serious danger that rebuilding efforts will be stalled by years of litigation on all sides.

The Government will be spending substantial amounts of money on rebuilding in the Midwest. Consequently, we are in a position to assert leadership over the form and direction of the rebuilding effort.

We need to address whether it makes sense to spend scarce Federal funds on reconstructing essentially the same infrastructure that existed before the flood. Alternatively, we might consider different solutions that could provide better defense against future disasters and at the same time enable us to correct mistakes that might have been made in the past.

Proposal

The Government's highest priority should be to return people to their homes when it makes sense for communities to be rebuilt and to restore operations in the affected areas. However, in doing that, we must consider the long term implications of our rebuilding efforts.

We need to develop a two part strategy that addresses:

- o The immediate needs to restore stability and operations to the affected areas
- o Longer term proposals based on looking at the entire river system and developing consensus among all affected parties.

DOT officials met with a group in St. Louis advocating a consensus building process to address the long term rebuilding effort. We will be receiving a more detailed proposal later this week on the form that such a process might take as well as suggestions on who would need to be involved. We will circulate the proposal as soon as we receive it.

In the meantime, we suggest that there be a meeting of top policy makers to discuss this approach and to determine how the Government should proceed in its rebuilding efforts.

From the Office of the Chief of Staff

Phone: 202/456-6797 Fax: 202/456-1121

Date: 9 August '93 Response needed by: _____

COS Office Contact: Bill Burton

93AUG 10 P5: 56

	Action	FYI		Action	FYI
Joan Baggett			Leon Panetta		
Rahm Emanuel			Howard Paster		
Mark Gearan			John Podesta		
David Gergen			Jack Quinn		
Jack Gibbons			Carol Rasco		
Marcia Hale			Bob Rubin		
Alexis Herman			Eli Segal		
Nancy Hemreich			Ricki Seidman		
Tony Lake			George Stephanopoulos		
Bruce Lindsey			Christine Varney	X	
Katie McGinty			David Watkins		
Regina Montoya			Maggie Williams		
Dee Dee Myers			PAUL Toback	X	
Roy Neel					
Bernie Nussbaum					

Remarks:

Christine & Paul -
pls advise your recommendations.
SBS - keep copy
Thanks,

Response:

Wraithy way
heath mason
TJ Glawthier

Comments



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

August 5, 1993

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From: Federico Peña 

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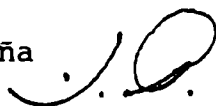
August 6, 1993

MEMORANDUM FOR: The Honorable Mike Espy
 Secretary of Agriculture

 The Honorable James L. Witt
 Director, Federal Emergency Management Agency

 The Honorable Carol Rasco
 Assistant to the President and
 Director, Domestic Policy Council

 The Honorable Mack McLarty
 Chief of Staff
 The White House

FROM: Federico Peña 

SUBJECT: Reconstruction of the Mississippi Basin
 Levee and Transportation Systems

Yesterday I forwarded a memorandum regarding the Department of Transportation's (DOT) views on Reconstruction of the Mississippi Basin Levee and Transportation Systems. Attached you will find two related items:

- o a memorandum regarding the House Bill which was introduced yesterday by Congressman Dick Durbin, and
- o a draft of a proposal done by a local group called MARC 2000

The House Bill could be used as a vehicle for planning if the President wished to establish the group mentioned (or one similar). This could be the beginning of a very positive framework to look at the longer-term issues regarding reconstruction.

If we can be of any assistance, we would be pleased to do so.

Attachments



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Memorandum

Subject: Reconstruction of the Mississippi Basin Levee and Transportation System Date: August 6, 1993

From: Michael P. Huerta
Associate Deputy Secretary
Director, Office of Intermodalism

To: The Secretary
thru The Deputy Secretary

Reply to
Attn. of:

Yesterday Congressman Dick Durbin announced at a press conference his intention to introduce legislation designed to "improve flood protection on the upper Mississippi River and its tributaries to protect public health, maintain commerce and reduce economic losses." The bill calls upon the Secretary of the Army to conduct a study to assess the adequacy of current flood control measures on the Upper Mississippi River system. The study is to include an assessment of critical public facilities, economic activity, and current Federal, state and local requirements for flood control improvements. Special attention is to be paid to differences between flood control projects on the Upper and Lower Mississippi. There is language directing that the study evaluate "the cost-effectiveness of alternative flood control measures such as the preservation and restoration of wetlands;" The Secretary of the Army is to report to Congress on the results of the study by January 1, 1995. The bill has 13 co-sponsors including Congressman Dick Gephardt.

The bill would establish a framework in law for the type of analysis we discussed last Saturday with Chris Brescia and his colleagues from MARC 2000. However, the focus seems to be primarily on the differences between the Upper and Lower Mississippi, which is consistent with Congressman Durbin's comments that there are equity issues between the two areas.

I spoke with Chris Brescia and he felt that the bill provided a framework but expressed concern that it was too focused at the Federal level. He stressed that his group felt it important to involve all interested parties. Nevertheless, he said that he expected that MARC 2000 would throw their support behind the proposal. Given that, he said that they would not be making an official proposal to us. However, he did send me a copy of their draft for our review and he suggested that we might use it as a framework for our efforts.

The major differences between the Durbin proposal and the MARC 200 proposal are over who is involved in the process and who is

in charge. Durbin's bill tasks the Army with conducting a study to be transmitted to Congress. Presumably, this would lead to some legislative action. MARC 2000 proposes that the President convene a task force of cabinet agencies, local officials, a Congressional advisory group, the private sector and environmental interests. Neither proposal provides a great deal of detail about the content of the studies. However, both seem to be suggesting that there is a need to look at things differently in rebuilding the area. Copies of both proposals are attached.

I would recommend that you continue your consultations with other cabinet agencies to determine their level of interest in this effort and to develop a Administration position. At the same time, we should contact Congressman Durbin's office to get a better sense of their goals and objectives. If we see a good fit, Durbin's legislation could become a framework for the larger effort.

H.L.C.

1 (2) to assess the adequacy of current flood control
2 measures, both Federal and non-Federal, on the
3 Upper Mississippi River and its tributaries and rec-
4 ommend improvements to protect critical public fa-
5 cilities and prevent the release of hazardous mate-
6 rials into flood waters; and

12 SEC. 2. FLOOD CONTROL MEASURES ON UPPER MIS-
13 SISSIPPI RIVER AND TRIBUTARIES.

18 (b) CONTENTS.—In conducting the study under sub-
19 section (a), the Secretary shall—

23 (2) identify high priority industrial, petrochemi-
24 cal, hazardous waste, and other facilities which re-

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3 (3) evaluate current Federal, State, and local
4 flood impact review requirements for infrastructure
5 improvements and other development in the flood
6 plain, and recommend changes to reduce the poten-
7 tial loss of life, property damage, economic losses,
8 and threats to health and safety caused by flooding;

15 (5) assess the current Federal policy on pre-
16 event repair and maintenance of both Federal and
17 non-Federal levees and recommend actions to help
18 prevent the failure of these levees during flooding;

August 2, 1998

H.L.C.

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11 (c) REPORT.—Not later than January 1, 1995, the
12 Secretary shall transmit to Congress a report on the re-
13 sults of the study conducted under subsection (a).

MARC 2000 PROPOSAL

REDEVELOPMENT OF UPPER MISSISSIPPI BASIN**EXECUTIVE SUMMARY**

The recent flooding throughout the Mississippi River Basin has had tragic consequences for many. One of those consequences has also been the extensive nature of mis-information about the river and flood control. But it now also presents a unique window of opportunity during which the leadership of the region from all sectors--business, agriculture, government and the environment--recognize that the stakes are too high for anyone to consider anything less than the long-term benefit of the entire region.

This waterway system provides a cost-effective form of transportation and is important as a natural resource for wildlife habitat, recreation and other public use. These benefits must be secured and enhanced within the redevelopment program pursued by the Administration and Congress.

The challenge of building the future economic and environmental sustainability of the region requires approaching the problem as partners, with mutual problems and joint efforts to solve them. A navigation corridor is critical to our future economic competitiveness. Environmental groups are challenging the current flood control system and offer alternatives. The farming community is concerned about losing productive farmland. Cities are concerned with future physical damage and reliable water supplies. Traditional antagonisms have given way to cooperative spirit in the region and must now be met with creative communication and consensus building mechanisms to support sound public policy.

This proposal urges the Clinton Administration and Congress to join the private economic and environmental interests in this basin in a public/private collaborative grassroots strategic decision-making consensus building process. This process would include:

- o Top level (White House & Cabinet) public and private (Corporate and environmental) leadership direction
- o Community-based participation in regional decisions
- o Facilitation by internationally-recognized process experts
- o Communication and computer-assisted technology information capability
- o Interactive database clearinghouse, news service & media relations
- o Strategic issues analysis to provide credible technical information about future conditions
- o Overnight polling and data gathering to support the decision-making process

Although emergency flood situations need to be addressed immediately (there will more flooding in the spring), developing a long-term management plan for this basin will require more time. This process is dedicated to learning, dialogue and decision-making. Its product is action because of the commitment that comes from involvement. Action that is more effective because the mistakes of the past are learned and not repeated. Conversely the successes can be reinforced. A facilitation process will encourage

MARC 2000 PROPOSAL
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communities and policy makers to learn what went right and what went wrong and what needs to be improved. We can create a new vision and new reality for the River Basin and the people who live and work in it.

Conveners and participants at the public level could include, among others:

- o The President or Vice President as convener
- o The Secretaries of Agriculture, Transportation, Commerce, Interior and EPA as conveners and policy oversight
- o The Governors of the five Upper Mississippi States
- o The lead federal Project Manager responsibility should logically reside with the U.S. Army Corps of Engineers
- o Appropriate agencies or government divisions for staff support coming from the Departments represented on the policy oversight board
- o Local elected officials
- o Congressional Advisory group representing authorizing and appropriating committees

Conveners and participants at the private level could include, among others:

- o Nationally-known and respected private-sector economic leader
- o Corporate sponsorship group including stakeholders of Agribusiness, Agricultural producers, Shippers, Carriers, environmental and conservation groups serve as policy oversight
- o A private-sector Project Manager counterpart
- o Corporate, local business, and environmental group staff support

We envision a two-three year process that may require a joint budget of about \$5-6 million. Initial private seed money would be raised for initial project design and launch. The next steps would be:

- o Federal agreement to pursue initiative
- o Prepare initial concept paper
- o Meet with potential conveners to approve concept and identify seed funding
- o Develop 90-day action plan
- o Conduct first official meeting of conveners
- o Establish necessary secretariat
- o Select Executive Group
- o Approve 90-day action plan
- o Convene Phase I strategic issues workshop.

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**AN UNIFIED, COMPREHENSIVE APPROACH TO RECOVERY AND
MANAGEMENT OF THE AREAS IMPACTED BY AND CONTRIBUTING TO THE
GREAT FLOOD OF '93**

DOI, CEA, USDA, FEMA and EPA (OPPE/OWOW/OFA) comments incorporated and redlined

I. VALUE OF NEPA APPROACH. A programmatic environmental impact statement (PEIS) that ends with definitive commitments and actions and/or legislative proposals is proposed. The value of the National Environmental Policy Act (NEPA) approach is that it is a recognized and understood institution for pursuing intergovernmental participation and problem solving. It is flexible, allows for and encourages public participation but does not trigger the Federal Advisory Committee Act requirements, and, finally, has established regulations that will ensure that all alternatives will be examined.

II. PURPOSE, OBJECTIVES, AND SCOPE. In the short-term, the national priority is to deliver a rapid and effective response to the flooding that places a priority on minimizing risks to life and property and on helping people in the region rebuild their lives and their communities. **The purpose of this PEIS is to develop an overall strategy for flood recovery that embodies sustainable development by emphasizing floodplain management and ecosystem restoration.** However, it is recognized that because many recovery programs are well underway, some of the PEIS recommended actions may occur too late to assist the current recovery efforts. Nevertheless, other foreseeable outcomes of the PEIS guiding minimization of floodplain damage susceptibility, watershed planning, etc., are likely to be applicable in the long-term.

Purpose, Need and Goals. The floodplains and watersheds of the Upper Mississippi and Missouri Rivers, and their tributaries are an extraordinary area, supporting substantial development and commerce and great ecological wealth. Yet as demonstrated by the Great Flood of '93, it is the source of enormous losses in life, property and natural resources due to flooding under existing management processes. **Current policies have exacerbated increase damage from flooding by maintaining incentives for unwise development and need to be reconsidered.** In the long-term, the Great Flood offers a profoundly important opportunity to review and improve the collective efforts of federal, state, and local governments and the private sector in managing the extraordinary resources and future potential of these watersheds. The PEIS will build upon the findings and recommendations of the Unified National Program for Floodplain Management, which was a multi-agency framework transmitted by the President to Congress.

This PEIS will serve as the vehicle to bring the federal agencies together with state and local resource, planning and regulatory agencies, tribal governments, potential project sponsors, and the public to develop a unified comprehensive approach to long-term recovery and subsequent management and improvement of the greater Upper Mississippi River, Missouri River, and their tributaries' floodplains affected by the Great Flood of '93. The PEIS will

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address the current system of federal policies, practices and programs, and will develop options, where deemed appropriate, to revise policies and programs through legislative means or changes within agency purview. The PEIS's fundamental goal is to develop a set of comprehensive policy and programmatic options that reduces risks from flooding and emphasizes floodplain management that is compatible with sustainable development. Its aim is to unify federal, state, and local floodplain management policy and practices with other national goals (e.g., endangered species recovery; no-net loss of wetlands; swimmable, fishable and drinkable water; internalizing the costs of flood protection, etc.). It will also serve as a guide for developing, reviewing and/or setting priorities for site-specific options for recovery.

Objectives. The simultaneous objectives of this effort are to:

- Remove incentives for unsustainable development of floodplains;
- Reduce repeated flood loss damages and, thereby, reduce the risk to life, property, and environmental resources and reduce untenable financial risks represented by flood events;
- Restore the natural and beneficial functions and values of the greater Mississippi River area ecosystem including the floodplain, headwaters, groundwater, instream resources and upper watersheds as a primary means of reducing flood risks and flood damages;
- Establish a unified federal response to recovery and to coordinate responsibilities among federal, state, tribal and local agencies or entities; and,
- Establish a vehicle, that is sufficiently generic in nature for application to future disaster events or other geographic areas, to guide recovery efforts or guide implementation of floodplain management to avoid or minimize the effects of future flood-related disaster events.

Geographic Scope. The geographic scope would be those areas affected by or contributing to flooding along the Upper Mississippi River basin including the [lower] Missouri River and other tributaries.

Subject Scope. All federal, state, local and non-governmental activities affecting floodplain and its ecosystems' management would be encompassed by this effort. These would include (1) technical issues relating to the hydrology and ecology of the area, (2) programmatic issues involving a broad array of federal programs, (3) intergovernmental coordination issues, (4) economic issues relating to design of a comprehensive flood protection strategy

and maintaining proper incentives for floodplain management; and, (5) ecosystem restoration options.

III. FEDERAL AND STATE PARTICIPATION. The three agencies -- USDA, COE, FEMA, and DOI -- most involved with the Great Flood of '93 recovery effort which also have floodplain management expertise would be co-leads for the effort. Because NEPA allows designation of federal, state, and local governments as cooperating agencies, a suite of cooperating agencies is proposed. The cooperating agencies would be those federal agencies involved with the response and issues of floodplain and ecosystem management and environmental restoration and the states in which the federal disaster was declared, in association with this flood event, and that are interested in participating in this effort. Cooperating agencies' responsibilities would include assisting the development and completion of the study by identifying issues, data requirements, concerns and alternative solutions; developing and implementing baseline and impact studies; preparing draft text for the PEIS; reviewing pre-drafts of the document; preparing responses to comments, and, other tasks necessary for expeditious execution of this effort. The proposed cooperating agencies are: HUD, DOT, EPA, DOC, DOL and up to nine affected states.

IV. MANAGEMENT (see attached diagrammatic). The OMB/OEP Steering Committee will provide guidance on the purpose and need for the study, its objectives and goals, its scope of analysis, and the principles to be used in conducting the analysis. It will track progress, resolve issues elevated to its attention, review the findings and recommendations of the study, and coordinate development of the required decisions that would then be documented in agency-specific Records of Decision. Executive, Operations and Administrative Managers are proposed to direct activities to assure a legally defensible EIS treating the stated purpose and contemplated scope is prepared in a timely manner. In addition other key management and support personnel are proposed: Public Coordination Officer, Legal Counsel, and a Secretary.

The Floodplain Management Alternatives Committee, the nexus for organizing and managing the PEIS effort, would be limited in size to keep the group manageable to the co-leads and those federal cooperating agencies expected to bear the responsibility of undertaking the PEIS. This group will provide the day-to-day study management that will result in preparation of the PEIS. This group, therefore, is responsible for initiating and conducting public scoping, coordination, and outreach; formulation of alternatives; information gathering, data analysis and impact assessment activities; environmental statute compliance; and, all other activities necessary to complete a programmatic level of analysis in an environmental impact statement. Ideally the members of this committee will be comfortable with innovative and flexible approaches to problem solving; familiar with the spirit and statutory requirements of NEPA; managers within their agency with knowledge of their agency's priorities, policies and programs; and, have multiple agency experience or

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knowledge associated with floodplain loss reduction, floodplain management, and/or emergency response and recovery authorities.

To accomplish a programmatic study of this broad nature and multiple purpose, four interagency teams are proposed to focus upon the most significant issues: 1) Flood Damage Susceptibility Team, 2) River Flows Management Team, 3) Floodplain Values and Ecosystem Restoration Team, and 4) Flood Response and Recovery Team. Cooperating agencies and other interested federal agencies could be participants on each team. Each team would be responsible for formulating the issues; developing options to address the issues; and, identifying the studies necessary to develop baseline and impact data. These options would be provided to the Floodplain Management Alternatives Committee for packaging into an array of alternatives that sharply define the issues. The teams would then be responsible for implementing the studies and analyses upon the direction of the Floodplain Management Alternatives Committee. A liaison to coordinate between the teams is also suggested to ensure consistency (e.g., of baseline assumptions and data sources), share information on activities of other teams, and identify potential problems between the teams. While consensus of team members is desirable, it is not necessary as the team will be responsible for developing issues and making recommending options for selection by the co-lead agencies in consultation with the cooperating agencies.

The Flood Damage Susceptibility Team, chaired by FEMA, would focus on strategies affecting land use within the floodplain and susceptibility to flood damage and disruption. For example, it would address such issues and tasks as:

- state and local floodplain regulations, zoning and building codes, development policies;
- establishing the true long-term financial costs associated with current operations along the river (e.g., crop subsidies, insurance, repetitive flood fight and repair costs, transportation costs);
- reducing long-term risks in the region through improved site-specific and programmatic master planning;
- improving environmental quality in the region and local communities through a more efficient menu of risk reduction options;
- programs to encourage stronger local government commitments on floodplain management;
- siting and design of federal, state, and local government and other publicly-owned or sponsored facilities with natural flood control and non-structural flood risk minimization measures;
- nonstructural means to provide protection or compensation for properties protected by levees ineligible for federal assistance.
- relocation of floodplain structures through new and existing incentive programs;
- flood proofing floodplain dependent public facilities structures or removing/treating/closing existing toxic/hazardous sites or solid waste landfills);

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- moving businesses and residences to higher grounds (relocation programs);
- flood proofing residences and businesses;
- coordinating a federal position on land use, farming, crop subsidies, etc. in areas between federal levees;
- providing additional storm water retention ponds in urbanized and sub-urbanized areas to assist addressing non-point source water quality issues and asynchronization of flood peaks;
- utilization of, targeting and coordination of federal, state, tribal, and local programs that would assist floodplain management and flood loss reduction;
- identification of federal, state, tribal, and local programs and practices that work at cross-purposes to, or could better facilitate or recognize flood loss reduction and floodplain management goals;
- sewage treatment plant siting, construction and enhancement priorities and opportunities; moved
- evaluation of how the capacity and functioning of the natural river system to absorb floods is impacted by the location and amount of manmade flood control structures and land use within the watershed;
- identifying how the land-use within the watershed has changed over time and what are the physical relationships to flooding and flood absorption capacity;
- evaluation of the economic and environmental benefits of relocating or removing levees in relatively unpopulated areas and creating wetlands, greenways, scenic rivers, trails, heritage corridors, ecological corridors, parks and other open spaces in order to help relieve the pressure of flood waters on built-up areas;
- evaluation of the relationships between increasing and decreasing flood protection in cropland areas versus downstream urban areas; and
- identification of floodwater reduction actions that could be taken under existing program provided additional funding is secured or other wise prioritized.

The River Flows Management Team, chaired by the COE, would focus on strategies affecting the risk of undesirable flooding and balancing multiple flow requirements. It would address such issues as:

- flood flows control;
- drought flows response;
- endangered, threatened species recovery flows;
- navigation flows;
- determining whether the existing system of levees and other flood control measures on the upper river systems is preventing small floods, but increasing the likelihood and severity of large floods by intensifying the height and velocity of flood waters;
- alternative levee design and construction methods;
- strengthening and reinforcing levees and dikes in urban and industrial areas; and,

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- developing guidance on scope and alternatives analysis for new levee proposals prepared or reviewed by federal agencies (including a consistent framework for all Clean Water Act Section 404 analyses).

The Floodplain Values and Ecosystem Restoration Team, chaired by DOI and/or EPA, would address strategies affecting restoration of the ecological and beneficial values of the riverine ecosystems and floodplains. It would address such issues as:

- preparing an inventory of environmental opportunities and sensitive environments;
- setting priorities for environmental opportunities;
- identifying priority areas for innovative solutions to flood loss damage minimization (e.g. purchase of lands and easements, land exchanges, nonstructural solutions, etc.);
- federal, state and local acquisition of wetlands to reduce flood risk and assure continued wetland functions;
- developing a framework for matching best options for flood loss reduction with environmental opportunities;
- identifying areas suitable for greenways (floodways in urban and rural areas that serve recreation and other natural and beneficial uses);
- actions to recover federal or state listed endangered or threatened species or other special status species;
- upstream actions that reduce the rate of inflow from the watershed (e.g., restoration of wetlands, improved soil and water retention practices);
- using wetlands as natural flood retention basins and/or constructed wetlands for effluent polishing;
- actions to improve aquatic, riparian and floodplain habitat values;
- developing guidelines or requirements that runoff and flood storage capacity be built into projects qualifying for public assistance and/or federal or state permits or licenses;
- utilization of, targeting and coordination of federal, state, tribal, and local programs that would assist floodplain management and flood loss reduction;
- identification of federal, state, tribal, and local programs and practices that work at cross-purposes to, or could better facilitate or recognize flood loss reduction and floodplain management goals; and,
- identifying areas suitable for agriculture production and levels of protection for crop production.

The Flood Response and Recovery Team, co-chaired by USDA and FEMA, would focus on strategies affecting flood damage response. It would address such issues as:

- developing policies that fully internalize the costs of flood protection;
- actions/policy changes that reduce overall taxpayer support of activities conducted in floodplains;
- coordinating agency recovery responsibilities;
- improved guidance for future disaster relief and recovery programs;

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10/1/93

- putting flood loss damage and floodplain management incentive programs on an even footing with rebuild to pre-flood options;
- conducting benefit-cost analysis of alternatives for comprehensive flood management alternatives, including structures, wetlands restoration and other environmental initiatives and effects of market mechanisms for internalizing the cost of flood protection;
- estimating funding necessary to effectively implement options to levee repair;
- improved relief efforts to private landowners through greater choice of options to rebuilding to pre-flood condition;
- exploring increased funding and eligibility requirements for other non-structural options such as refuge expansion, conservation easements, wetland restoration, etc;
- exploring the need for additional federal and state legislation to coordinate authority for floodplain activities (e.g., a floodplain management act similar to the Coastal Zone Management Act) or multiple use/sustained yield management for interstate river systems (e.g., a program similar to the federal timber land policy); moved
- establishing a firm federal assistance eligibility policy that is consistent across agencies and states (e.g., levee eligibility, cost-sharing, and replacement cost vs. market valuation);
- solid and hazardous waste monitoring, management or removal;
- establishing policy on which federal assistance is an entitlement, if any; and,
- coordinating agency utilization of the Stafford Disaster Assistance Act Reserve program (use of reserve federal employees in recovery efforts).

V. PUBLIC OUTREACH AND COORDINATION. Public scoping would be the responsibility of the Public Coordination Officer, Operations Manager, and the Floodplain Management Alternatives Committee. Public involvement must be actively sought out and encouraged for this effort to be successful. Continued coordination with the public, interest groups and other stakeholders is obviously a crucial component of this endeavor and a Public Coordination Officer is proposed to organize, undertake, and otherwise coordinate these activities. Two distinct work groups are envisioned to allow a representative suite of individuals to provide feedback to the Committee on issues germane to the study and PEIS and to facilitate dissemination of information to the public as a whole throughout the process. The Public Scoping, Outreach and Coordination Work Group would be composed of representatives of local governments and community organizations, farming, environmental, developmental, recreational/sporting, navigation, industrial, etc. interests. The States Work Group would be composed of up to nine State Coordination Officers that were originally established when the flood disaster was federally declared. These representatives would be responsible for identifying state issues, providing information to/from their respective state elected officials and state agencies and, ideally, obtaining state support necessary for implementation of the proposed alternative and any proposed mitigation measures that fall within state or local jurisdiction. Meetings with both Work Groups would occur throughout the PEIS process and particularly at important junctures.

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VI. TECHNICAL OVERSIGHT. An Economic Work Group would be composed of representatives of the federal agencies. This group would provide expert oversight and issue resolution regarding economic issues and financial risk reduction. It would provide for consistency of economic analyses and perform independent review of team and contractor products to assure a consistent and defensible approach to economic analyses and, therefore, the conclusions reached as part of the study and EIS. The Group would be chaired by OMB and CEA and other members would include analysts from DPC, OEP, USDA, FEMA, COE, EPA, DOI, DOT, HUD, DOC, DOL, and HHS. Similarly, the Office of Science, Technology and Policy would utilize its resources, those of the National Academy of Sciences, the USGS, the National Biological Survey (NBS), FEMA, EPA, COE, and USDA to establish a common scientific data set and definitions from which each Team and the EIS contractor can proceed with analysis, issue characterization and solution formulation. It will also provide independent guidance, oversight, issue resolution, and review of data, modeling, engineering, hydrology, and other environmental studies. This will facilitate consistency of scientific, technological and engineering analyses and allow for independent review of team and contractor products. Both Work Groups may consult with academics and non-governmental organizations as deemed necessary or desirable. Meetings would occur throughout the PEIS process and particularly at important junctures.

VII. SCHEDULE. It is anticipated that with full interagency support the PEIS process could be completed in ten (10) months. To meet this admittedly optimistic compressed time frame will require expeditious handling of issues, activities, mobilization of federal research laboratories, dedication of a large number of staff across multiple agencies, contractor assistance, and dedication of office space for the Managers, Committee and Team members. A rough breakdown of the actions with ideal start dates follows:

- Scoping (Sept 15 - Nov 15)
- Analysis/Modeling (Sept 15 - Dec 31)
- Draft PEIS preparation (Sept 15 - Feb 15 (Notice of Availability))
- Public Review (45 days, ends March 30)
- Final PEIS preparation (March 30 - May 15)
- Public Review (30 days, ends June 15)
- Record of Decision (June 15)

The most problematic portion of this schedule is the time involved with analysis and modeling efforts. This time frame has been severely compressed to allow for decision-making as early as possible to allow for summertime construction activities. However, because recovery efforts are not expected to cease while this study effort is ongoing, it may be worthwhile to expand this schedule to ensure that issues are adequately identified and alternatives fully explored.

VIII. FIRST STEPS. The first tasks, after establishing agency participation and staff assignments, would be to:

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- establish common data set, definitions [Science and Technology Work Group];
- review of the National Assessment of Floodplain Management produced by the Interagency Task Force on Floodplain Management [TEAMS];
- review of Interagency Hazard Mitigation team Reports on this and other flood events [TEAMS];
- identify ongoing or proposed studies that would assist PEIS analyses [ALL]
- coordinate ongoing and proposed studies to eliminate overlap and combine purposes, where possible [ALL];
- match studies' schedules with those of the PEIS [AGENCIES]; and,
- review ongoing and proposed studies to determine if any information gaps exist, to establish priorities for data needs, and develop cost estimates for those studies [TEAMS, ALTERNATIVES COMMITTEE].

It is anticipated that a great many activities and studies that are ongoing or planned will be incorporated into the PEIS. However, additional costs will be incurred by the co-lead agencies and cooperating agencies.

Attachment

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10/1/93

**AN UNIFIED APPROACH TO RECOVERY AND MANAGEMENT OF THE
MISSISSIPPI RIVER FLOODPLAIN IMPACTED BY THE GREAT FLOOD OF '93**

MANAGEMENT (see attached diagrammatic)

OMB/OEP Steering Committee

Function: The OMB/OEP Steering Committee will provide guidance on the purpose and need for the study, its objectives and goals, its scope of analysis, track progress, resolve issues elevated to its attention, review the findings and recommendations of the study, and coordinate development of the required decisions that would then be documented in agency-specific Records of Decision.

Executive Manager

Function: Executive oversight of the PEIS.

Product: A legally defensible draft and final EIS affecting change in federal policies affecting floodplain management, floodplain development, flood recovery and ecosystem restoration.

Tasks:

- Charge(s) to work groups
- Charge to floodplain management alternatives committee
- Charges to teams
- Overall management of EIS effort

Operations Manager

Function: Direction and supervision of daily operations supporting production of the PEIS.

Product: A legally defensible EIS on schedule affecting change in federal policies affecting floodplain management, floodplain development, flood recovery and ecosystem restoration.

Tasks:

- Formation, organization, and oversight of Floodplain Management Alternatives Committee
- Organization of flood options and analysis teams.
- Initiation of scoping
- Formation of and coordination with Public Outreach, State, Economic and Science Work Groups
- Obtaining contractor support; coordinate between contracts (if necessary)
- Coordination, management of Floodplain Management Alternatives Committee
- Coordination of Flood Options Teams
- Guidance on and approval of issues, alternatives, scope of NEPA analysis
- Identification of interim reports supporting EIS
- Development of draft EIS
- Organization of response to comments on draft EIS

Administrative Manager

Function: Provides administrative assistance to the Executive Manager and the Operational Manager

Product: Coordinated flow of information; timely and satisfactory contractor work products supporting a legally defensible EIS on schedule

Tasks:

- Obtain contractor support of EIS
- Manage contractor preparation of EIS
- Liaison between Teams
- Liaison between Work Groups and Alternatives Committee
- Taking, transcribing and distributing meeting minutes
- Auditable tracking of expenditures (staffing, resource, travel)
- Tracking task progress, assignments and due dates
- Management of files

Legal Counsel

Function: Provides legal advice related to compliance and interpretation of NEPA, other environmental statutes and statutes addressed within the scope of the PEIS. Product: A legally defensible EIS on schedule

Tasks: Provides and coordinates legal opinions related to issues associated with recovery from the Great Flood '93

Secretary

Function: Provides clerical and secretarial support to personnel working on the EIS.

Products: As Assigned.

Tasks: Filing, typing, photocopying, management and obtaining supplies, preparation of paperwork, etc.

Public Coordination Officer

Function: Assures continued coordination and exchange with the public, as a whole, and the public coordination work group, states' work group, and all the cooperating agencies throughout development of the EIS.

Products: Public, state, tribal understanding and support of the purpose, scope, and proposals contained in the draft EIS.

Tasks:

- Development of a balanced (representative of stakeholders/public) Public Work Group
- Management of the Public Scoping Outreach and Coordination Work Group
- Frequent meetings of Public Scoping Work group
- Coordination with press, elected officials, and public inquires
- Establishment of and liaison to the States' Work Group
- Liaison to cooperating state agencies

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10/1/93

- Assistance with managing and developing presentations for public scoping and outreach meetings

Science and Technology Work Group

Function: Provides for consistency of scientific, technological and engineering analyses and performs independent review of team and contractor products

Product: A consistent and defensible approach to scientific, technological and engineering analyses and conclusions reached as part of the study and EIS

Task:

- Establish and distribute a common scientific data set (i.e., flow data, flood stages, flood frequencies, water quality, ground water, geomorphology, and other existing data) and definitions that each Team and the contractor can utilize in undertaking further analyses;
- Serve as arbitrator on team disputes regarding scientific, technical, and engineering issues; and,
- Consult with academics, non-governmental organizations as determined necessary and desirable.

Membership:

OSTP, Chair

NAS, FEMA, USGS, NBS, EPA, COE, USDA

Economic Work Group

Function: Provides for consistency of economic analyses and performs independent review of team and contractor products

Product: A consistent and defensible approach to economic analyses and conclusions reached as part of the study and EIS

Task:

- Provide a written framework for conducting economic analyses that will enable comparison of alternatives, identification of least-cost alternatives to the federal government, address broad issues of social costs and benefits, and link individual projects impacts to regional and programmatic issues.
- Resolves team disputes regarding economic issues
- Consult with academics, non-governmental organizations as determined necessary and desirable

Membership:

OMB/CEA, Chairs

DPC, OEP, USDA, FEMA, COE, EPA, DOI, DOT, HUD, DOC, DOL, HHS

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10/1/93

Floodplain Management Alternatives Committee

Function: The nexus for undertaking a unified, fully coordinated plan for recovery and management of the flood impacted area. This group will provide the coordination and decision-making necessary resulting in preparation of the PEIS.

Products:

- A full range of reasonable alternatives to achieve the purpose and need for federal action and that sharply define the issues to be addressed
- Identification and management of studies needed to support alternatives and impact analysis
- Development of frameworks and guidelines for future decision-making
- A legally defensible draft and final EIS

Tasks:

- See products, above.
- Development and coordination (with and within) appropriate agencies of proposed policies, program changes, for analysis in the EIS
- Initiating and conducting public scoping
- Formulation of alternatives
- Information gathering, data analysis and impact assessment activities
- Environmental statute compliance
- All other activities necessary to complete a programmatic level of analysis in an environmental impact statement.

Teams

Function: Focus on issues identified in PEIS proposal and other issues as deemed relevant. Reports directly to Alternatives Committee.

Products: A legally defensible EIS affecting change in federal policies affecting floodplain management, floodplain development, and flood recovery.

Tasks:

- Definition of Team's scope of analysis
- Development of options
- Conduct studies to assist issue and solution(s) identification
- Recommendations for alternatives (compatible suites of options)
- Identification and provision of data/information for use by contractor to prepare affected environment and environmental impacts sections of EIS
- Identification and management of studies supporting alternatives impact analysis
- Review of contractor(s) work products
- Review of pre-draft, draft EIS
- Response to comments
- Review of pre-final and final EIS

Recommended Participants (by agency, subject expertise [NAMES NEED TO BE PROVIDED BY AGENCIES]):

Floodplain Susceptibility Team

FEMA, Chair - floodplain management, hazard mitigation, disaster assistance, flood insurance program, public assistance
EPA - risk assessment/policy
USDA - agricultural policy, crop insurance
Coast Guard - bridges, navigational aids
HUD - building locations/codes, Community Block Development Grants
DOC/NWS - weather/flood forecast/historic data
OMB - fiscal policy, priorities
SBA - loan policy, business relocation

Floodplain Management and Ecosystem Restoration Team

DOI, Chair (FWS/USGS/NBS/BIA) - endangered species, refuges, migratory waterfowl, water and ecological data collection, Indian issues
FEMA - floodplain management, outreach
EPA - water policy, watersheds, wetlands
COE - policy, Institute for Water Resources, levee policy
HUD - urban renewal
SCS - wetlands reserve program, levee policy

River Flows Management

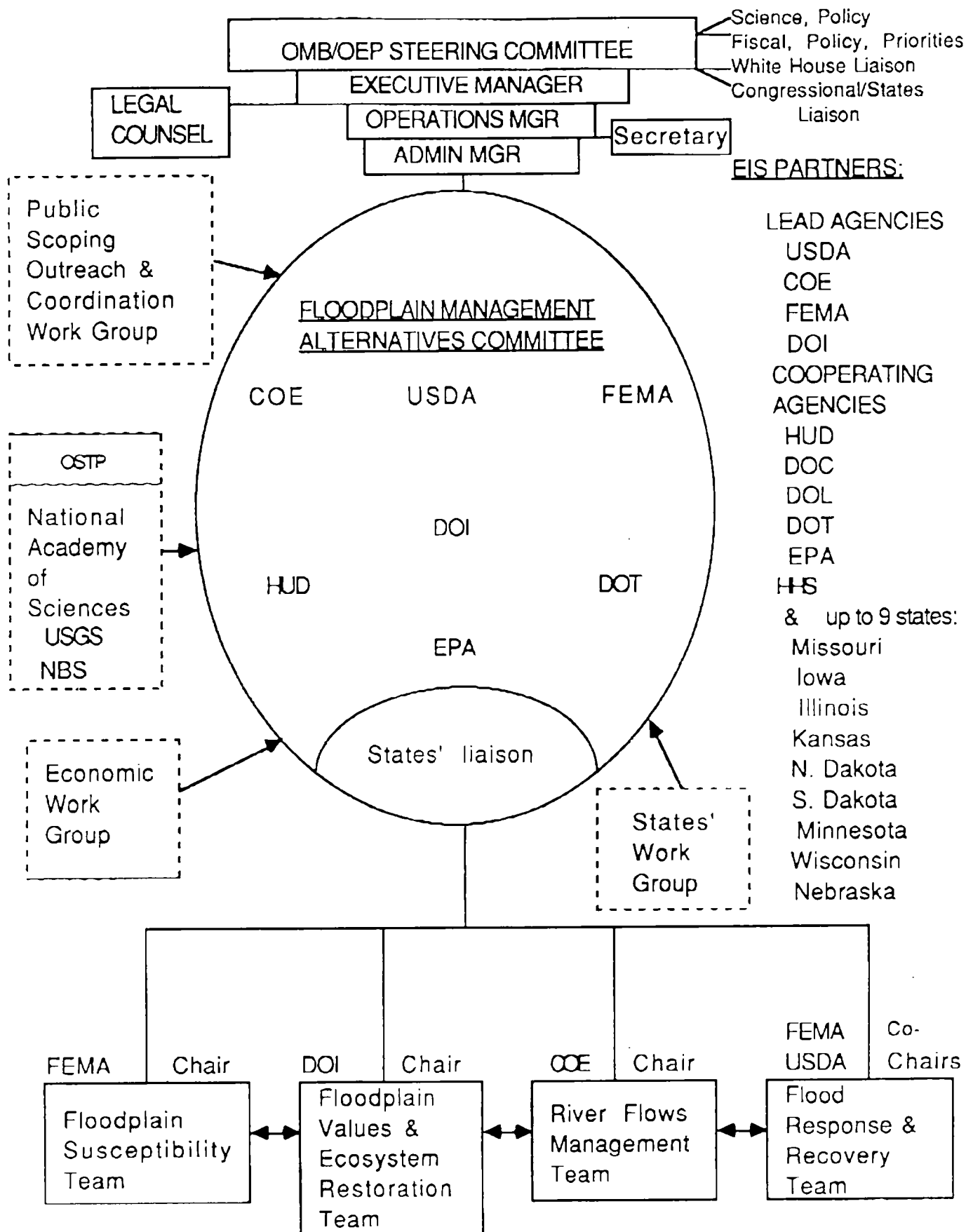
COE, Chair - water resources management, flood control, navigation, drought response
EPA - wetlands/CWA 404, water quality
FWS - endangered species flows
Coast Guard - navigation safety, bridges
USGS - flows data, hydrology
FEMA - floodplain management, risk reduction

Flood Response & Recovery Team

FEMA, Co-Chair - emergency response, recovery, hazard mitigation, floodplain management
USDA, Co-Chair - levees, crop insurance, foodstamp program
EPA - emergency response, water quality
DOI - levee alternatives
OMB - fiscal policy/priorities, economics
SBA - small business concerns
HHS/CDC - disease issues, public health
HUD - rebuilding, CBDG
EDA - economic development
COE - readiness, reconstruction, damage assessment
DOL - disaster unemployment assistance

(Attachment)

GREAT FLOOD OF '93 RECOVERY PEIS



Definition of Alternative Damage Measure

An alternative, broader measure of damage and economic impact can be constructed, for this and previous disasters, that includes all damages reimbursed by Federal agencies as well as a substantial fraction of private losses that are not reimbursed. Specifically, this includes: FEMA damage estimates; business and housing losses for which SBA loans are made for reconstruction; crop losses (both those covered by Agriculture and those not covered); damage to Federal levees and other Federal facilities; and . . .

While this alternative measure is not all inclusive -- omitting, for instance, costs of charitable and voluntary efforts, most privately insured losses, as well as other privately borne personal suffering and disruption -- it is broad enough to capture the relative magnitude of various disasters.

By this measure, the Andrew/Iniki, Hugo, and Midwest flood disasters are clearly of a magnitude sufficient to make full reimbursement of FEMA-eligible damages a national priority. In all of these cases, the costs identified exceed percent of GDP. Other disasters fall short of this threshold (see attached Table, right-most column).

ORGANIZATION OF LONG RANGE FLOOD RECOVERY

We are currently operating with 10 task forces. Each task force is responsible for some aspect of the flood recovery effort. Conversations with various agencies involved in the task forces and staff inside the WH have lead me to propose collapsing the 10 to 5 task forces. Three of these would be substantive, policy development focused. Two would be overarching, communications and congressional relations. The following is proposed for discussion purposes.

FLOOD PLAIN MANAGEMENT--- Chairs T.J. Glauthier(OMB), Katie McGinty(OEP), Jim Lyons(USDA).

Including the following current task forces: Levee Reconstruction, Wetlands and Flood Plain Management

Redevelopment
COMMUNITY ~~RECONSTRUCTION~~--- Chairs Christopher Edley,(OMB) Andrew Cuomo(HUD), Bob Nash(AG).

Including the following current task forces: Housing, Community Facilities, Transportation, Bridges and Roads, Commerce, Business Development, etc.

ENVIRONMENTAL AND HEALTH SAFETY---Chairs Frank Young(HHS) and Sylvia Lawrence(EPA).

Including the following current task forces: Water Supply, Treatment and Waste, Environmental, Health and Medical, Education/Social Services.

COMMUNICATIONS COORDINATION--- Morrie Goodman(FEMA) and Lisa Mortman(WH).

CONGRESSIONAL COORDINATION--- Barbara Chow(WH) and Martha Braddock(FEMA).

- Agriculture ~~Production~~
another task force

6AX TO
OLETA

AGENDA

- Reduction of task forces
- Update on town meetings
- Levee reconstruction memo

Talk with James **Lee** on buyouts - T. J.

steering committee responsible
for: financing.
buyouts

ORGANIZATION OF FLOOD LONG RANGE FLOOD RECOVERY

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COMMUNITY RECONSTRUCTION--- Chairs Christopher Edley,(OMB) Andrew Cuomo(HUD), Bob Nash(AG).

Including the following current task forces: Housing, Community Facilities, Transportation, Bridges and Roads, Commerce, Business Development, etc.

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AGENDA

- 0 Reduction of task forces
- 0 Update on town meetings
- 0 Levee reconstruction memo



U.S. Department of
Transportation

Office of the Secretary
of Transportation

Chief of Staff

400 Seventh St., S.W.
Washington, D.C. 20590

FAX TRANSMISSION COVER

Date: 8 / 6 / 93

TO:

Hon. Carol Rasco

FAX:

456-2878

FROM:

Ann Bormolini

Office: (202) 366-1103

FAX: (202) 366-3956

Number of pages transmitted, including this page: 10

MESSAGE:



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

August 6, 1993

MEMORANDUM FOR:

The Honorable Mike Espy
Secretary of Agriculture

The Honorable James L. Witt
Director, Federal Emergency Management Agency

The Honorable Carol Rasco
Assistant to the President and
Director, Domestic Policy Council

The Honorable Mack McLarty
Chief of Staff
The White House

FROM:

Federico Peña 

SUBJECT:

Reconstruction of the Mississippi Basin
Levee and Transportation Systems

Yesterday I forwarded a memorandum regarding the Department of Transportation's (DOT) views on Reconstruction of the Mississippi Basin Levee and Transportation Systems. Attached you will find two related items:

- o a memorandum regarding the House Bill which was introduced yesterday by Congressman Dick Durbin, and
- o a draft of a proposal done by a local group called MARC 2000

The House Bill could be used as a vehicle for planning if the President wished to establish the group mentioned (or one similar). This could be the beginning of a very positive framework to look at the longer-term issues regarding reconstruction.

If we can be of any assistance, we would be pleased to do so.

Attachments



U.S. Department of
Transportation

Office of the Secretary
of Transportation

Memorandum

Subject: Reconstruction of the Mississippi Basin Levee and Transportation System Date: August 6, 1993

From: Michael P. Huerta
Associate Deputy Secretary
Director, Office of Intermodalism

Reply to
Attn. of:

To: The Secretary
thru The Deputy Secretary

Yesterday Congressman Dick Durbin announced at a press conference his intention to introduce legislation designed to "improve flood protection on the upper Mississippi River and its tributaries to protect public health, maintain commerce and reduce economic losses." The bill calls upon the Secretary of the Army to conduct a study to assess the adequacy of current flood control measures on the Upper Mississippi River system. The study is to include an assessment of critical public facilities, economic activity, and current Federal, state and local requirements for flood control improvements. Special attention is to be paid to differences between flood control projects on the Upper and Lower Mississippi. There is language directing that the study evaluate "the cost-effectiveness of alternative flood control measures such as the preservation and restoration of wetlands;" The Secretary of the Army is to report to Congress on the results of the study by January 1, 1995. The bill has 13 co-sponsors including Congressman Dick Gephardt.

The bill would establish a framework in law for the type of analysis we discussed last Saturday with Chris Brescia and his colleagues from MARC 2000. However, the focus seems to be primarily on the differences between the Upper and Lower Mississippi, which is consistent with Congressman Durbin's comments that there are equity issues between the two areas.

I spoke with Chris Brescia and he felt that the bill provided a framework but expressed concern that it was too focused at the Federal level. He stressed that his group felt it important to involve all interested parties. Nevertheless, he said that he expected that MARC 2000 would throw their support behind the proposal. Given that, he said that they would not be making an official proposal to us. However, he did send me a copy of their draft for our review and he suggested that we might use it as a framework for our efforts.

The major differences between the Durbin proposal and the MARC 200 proposal are over who is involved in the process and who is

in charge. Durbin's bill tasks the Army with conducting a study to be transmitted to Congress. Presumably, this would lead to some legislative action. MARC 2000 proposes that the President convene a task force of cabinet agencies, local officials, a Congressional advisory group, the private sector and environmental interests. Neither proposal provides a great deal of detail about the content of the studies. However, both seem to be suggesting that there is a need to look at things differently in rebuilding the area. Copies of both proposals are attached.

I would recommend that you continue your consultations with other cabinet agencies to determine their level of interest in this effort and to develop a Administration position. At the same time, we should contact Congressman Durbin's office to get a better sense of their goals and objectives. If we see a good fit, Durbin's legislation could become a framework for the larger effort.

H.L.C.

F:\MADURBIN\ADURBIN.087

103D CONGRESS
1st Session

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. DUKAKIS introduced the following bill, which was referred to the
Committee on _____

A BILL

To direct the Secretary of the Army to conduct a study
to assess the adequacy of current flood control measures
on the Upper Mississippi River and its tributaries.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. PURPOSES.

4 It is the purpose of this Act—

5 (1) to improve the flood protection on the
6 Upper Mississippi River and its tributaries in order
7 to protect public health and safety, maintain com-
8 merce, and reduce economic losses due to flooding;

August 2, 1993

08-06-99 02:07 PM FROM CONG. DURBIN D.C.

P01

JANADURBIN\BUSHEN.007

E.L.C.

2

1 (2) to assess the adequacy of current flood con-
2 trol measures, both Federal and non-Federal, on the
3 Upper Mississippi River and its tributaries and rec-
4 commend improvements to protect critical public fa-
5 cilities and prevent the release of hazardous mate-
6 rials into flood waters; and

7 (3) to examine the Federal and non-Federal
8 role in funding the construction and maintenance of
9 flood control measures on the Mississippi River and
10 its tributaries and recommend changes to improve
11 flood protection for high priority facilities.

12 **SEC. 2. FLOOD CONTROL MEASURES ON UPPER MIS-**
13 **SISSIPPI RIVER AND TRIBUTARIES.**

14 (a) **STUDY.**—The Secretary of the Army shall con-
15 duct a study to assess the adequacy of current flood con-
16 trol measures on the Upper Mississippi River and its trib-
17 utaries.

18 (b) **CONTENTS.**—In conducting the study under sub-
19 section (a), the Secretary shall—

20 (1) identify critical water, sewer, transpor-
21 tation, and other essential public facilities which cur-
22 rently do not have adequate flood protection;

23 (2) identify high priority industrial, petrochemi-
24 cal, hazardous waste, and other facilities which re-

August 6, 1999

030 P04

EAGLE MARINE (314) 421-1155

AUG.05.99 15:02

GOM 900d M210:PO E6-90-90

08-06-93 02:07 PM FROM CONG. DURBIN D. C.

505

F:\MADURBIN\08-06-93

H.L.C.

4

1 (7) recommend flood control improvements,
2 changes in Federal cost-sharing, and other measures
3 to reduce economic losses, damage to critical public
4 facilities, and the release of hazardous materials
5 from industrial, petrochemical, hazardous waste, and
6 other facilities caused by flooding of the Upper Mis-
7 sissippi River and its tributaries; and

8 (8) assess the environmental impact of current
9 flood control measures and the flood control im-
10 provements recommended pursuant to this section.

11 (c) REPORT.—Not later than January 1, 1995, the
12 Secretary shall transmit to Congress a report on the re-
13 sults of the study conducted under subsection (a).

MARC 2000 PROPOSAL

REDEVELOPMENT OF UPPER MISSISSIPPI BASINEXECUTIVE SUMMARY

The recent flooding throughout the Mississippi River Basin has had tragic consequences for many. One of those consequences has also been the extensive nature of mis-information about the river and flood control. But it now also presents a unique window of opportunity during which the leadership of the region from all sectors--business, agriculture, government and the environment--recognize that the stakes are too high for anyone to consider anything less than the long-term benefit of the entire region.

This waterway system provides a cost-effective form of transportation and is important as a natural resource for wildlife habitat, recreation and other public use. These benefits must be secured and enhanced within the redevelopment program pursued by the Administration and Congress.

The challenge of building the future economic and environmental sustainability of the region requires approaching the problem as partners, with mutual problems and joint efforts to solve them. A navigation corridor is critical to our future economic competitiveness. Environmental groups are challenging the current flood control system and offer alternatives. The farming community is concerned about looming productive farmland. Cities are concerned with future physical damage and reliable water supplies. Traditional antagonisms have given way to cooperative spirit in the region and must now be met with creative communication and consensus building mechanisms to support sound public policy.

This proposal urges the Clinton Administration and Congress to join the private economic and environmental interests in this basin in a public/private collaborative grassroots strategic decision-making consensus building process. This process would include:

- o Top level (White House & Cabinet) public and private (Corporate and environmental) leadership direction
- o Community-based participation in regional decisions
- o Facilitation by internationally-recognized process experts
- o Communication and computer-assisted technology information capability
- o Interactive database clearinghouse, news service & media relations
- o Strategic issues analysis to provide credible technical information about future conditions
- o Overnight polling and data gathering to support the decision-making process

Although emergency flood situations need to be addressed immediately (there will more flooding in the spring), developing a long-term management plan for this basin will require more time. This process is dedicated to learning, dialogue and decision-making. Its product is action because of the commitment that comes from involvement. Action that is more effective because the mistakes of the past are learned and not repeated. Conversely the successes can be reinforced. A facilitation process will encourage

MARC 2000 PROPOSAL PAGE 2

communities and policy makers to learn what went right and what went wrong and what needs to be improved. We can create a new vision and new reality for the River Basin and the people who live and work in it.

Conveners and participants at the public level could include, among others:

- o The President or Vice President as convener
- o The Secretaries of Agriculture, Transportation, Commerce, Interior and EPA as conveners and policy oversight
- o The Governors of the five Upper Mississippi States
- o The lead federal Project Manager responsibility should logically reside with the U.S. Army Corps of Engineers
- o Appropriate agencies or government divisions for staff support coming from the Departments represented on the policy oversight board
- o Local elected officials
- o Congressional Advisory group representing authorizing and appropriating committees

Conveners and participants at the private level could include, among others:

- o Nationally-known and respected private-sector economic leader
- o Corporate sponsorship group including stakeholders of Agribusiness, Agricultural producers, Shippers, Carriers, environmental and conservation groups serve as policy oversight
- o A private-sector Project Manager counterpart
- o Corporate, local business, and environmental group staff support

We envision a two-three year process that may require a joint budget of about \$5-6 million. Initial private seed money would be raised for initial project design and launch. The next steps would be:

- o Federal agreement to pursue initiative
- o Prepare initial concept paper
- o Meet with potential conveners to approve concept and identify seed funding
- o Develop 90-day action plan
- o Conduct first official meeting of conveners
- o Establish necessary secretariat
- o Select Executive Group
- o Approve 90-day action plan
- o Convene Phase I strategic issues workshop.



U.S. Department of
Transportation
Office of the Secretary
of Transportation

CAV-Active Flo
floods
Chief of Staff

Orig: C.H.R.
Xc: K.Way
400 Seventh St., S.W.
Washington, D.C. 20590

C. Farney

SBS sent for
to Way and Mason 5/26

FAX TRANSMISSION COVER

Date: 8 / 5 / 93

TO: Hon. Carol Rasco
FAX: 456-2878

FROM: **Ann Bormolini**
Office: (202) 366-1103
FAX: (202) 366-3956

Number of pages transmitted, including this page: 3

MESSAGE:

Christine: In Kathi's
absence can you
advise me if

This is being
addressed
already in the
overall
strategy
or should
I do
something?
CHKas



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

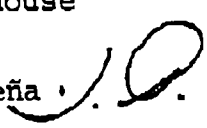
August 5, 1993

Memorandum For: The Honorable Mike Espy
Secretary of Agriculture

The Honorable James L. Witt
Director, Federal Emergency Management Agency

The Honorable Carol Rasco
Assistant to the President and
Director, Domestic Policy Council

The Honorable Mack McLarty
Chief of Staff
The White House

From: Federico Peña 

Subject: Reconstruction of the Mississippi Basin Levee
and Transportation Systems

Summary

As the Government initiates its rebuilding activities in the Midwest, we should develop a clear strategy to guide our activities. The strategy should consider the river system as a whole and should be based on developing consensus among the affected communities, the private sector, Government and environmental groups. The strategy would be designed to balance competing river interests and might result in a system that is substantially different than what existed before the flood.

Background

The Department of Transportation has received inquiries about the Administration's views on the rebuilding of the infrastructure once the Mississippi Basin flooding has abated. Questions have been raised in the press about the wisdom of the Government's past efforts to control the river system.

Environmental interests have suggested that the flooding demonstrates that efforts to control the rivers have failed. They argue that the levees have also caused serious damage to wetlands and the environment. They suggest that, in certain instances, it might make more sense to restore the original river flood plains and wetlands areas rather than reconstructing the levee system in substantially the same way it existed before the

flooding.

On the other hand, farmers and river users have stressed the need to restore the infrastructure to get the economy going in the area. They place the highest priority on minimizing the dislocation and restoring operations.

In the absence of an overall strategy for rebuilding, competing interests will all try to advance their individual points of view while blocking conflicting efforts. Unless some effort is made to reconcile the differing points of view, there is a serious danger that rebuilding efforts will be stalled by years of litigation on all sides.

The Government will be spending substantial amounts of money on rebuilding in the Midwest. Consequently, we are in a position to assert leadership over the form and direction of the rebuilding effort.

We need to address whether it makes sense to spend scarce Federal funds on reconstructing essentially the same infrastructure that existed before the flood. Alternatively, we might consider different solutions that could provide better defense against future disasters and at the same time enable us to correct mistakes that might have been made in the past.

Proposal

The Government's highest priority should be to return people to their homes when it makes sense for communities to be rebuilt and to restore operations in the affected areas. However, in doing that, we must consider the long term implications of our rebuilding efforts.

We need to develop a two part strategy that addresses:

- o The immediate needs to restore stability and operations to the affected areas
- o Longer term proposals based on looking at the entire river system and developing consensus among all affected parties.

DOT officials met with a group in St. Louis advocating a consensus building process to address the long term rebuilding effort. We will be receiving a more detailed proposal later this week on the form that such a process might take as well as suggestions on who would need to be involved. We will circulate the proposal as soon as we receive it.

In the meantime, we suggest that there be a meeting of top policy makers to discuss this approach and to determine how the Government should proceed in its rebuilding efforts.

POTENTIAL ALTERNATIVES TO LEVEE REBUILDING

The following is a partial list of Federal programs which may be available to as alternatives to levee reconstruction or repair. The list is not complete and the agencies should review this list and provide addition, or deletion recommendations.

Department of Agriculture:

Wetland Reserve Program -- permanent easements.

Conservation Reserve Program -- property easements.

Small Watershed Program (P.L. 566) -- non-structural protection.

Department of Interior:

National Wildlife Refuge System -- purchase land.

Federal Emergency Management Agency:

Section 404 of the Stafford Act -- buy out program, also available to purchase easements.

Section 1362 of the National Flood Insurance Program -- buy out insured policy holders who are subject to repeated flooding.

Environmental Protection Agency:

Wetlands Restoration -- grants.

Corps of Engineers:

Section 1135 of the 1986 Water Resources Development Act, the improvement of the environment at completed Corps projects.

Housing and Urban Development:

Community Development Block Grant Program -- grants.

Section 203(h), Mortgage Insurance for Disaster Victims -- relocations.

Small Business Administration:

Disaster Loans -- rebuilding.



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

August 23, 1993

To: Army Corps of Engineers
Federal Emergency Management Agency
Department of Agriculture
Department of Transportation
Department of Interior
Department of Housing and Urban Development
Environmental Protection Agency
Small Business Administration
Other Relevant Agencies *JJ Glauthier*

From: T.J. Glauthier, Associate Director, Natural Resources,
Energy and Science, Office of Management and Budget

Katie McGinty, Director, White House Office on
Environmental Policy *William Smith for ERM*

Re: Procedures for Evaluation and Review of Repair and
Restoration Projects for Levees

The purpose of this guidance is to ensure the proper consideration of relevant options for repair, reconstruction, and other alternatives to levee restoration necessitated by flood damage. It also is intended to ensure that relevant organizations have the opportunity to comment on project specifications and suggest appropriate modifications. The overall goal is to achieve a rapid and effective response to the damaged flood control system that will minimize risk to life and property, ensure a cost-effective approach to flood damage mitigation and floodplain management, and protect important environmental and natural resource values.

This guidance should be viewed as an opportunity to allow consideration of alternatives with input from Federal, State, and local interests. It is not intended to deny any party access to existing programs for levee repair and restoration, to create unexpected delays, or to force alternatives to repair and restoration on unwilling participants. Nor does this contravene any existing statutory or other requirements.

In acting upon applications for levee repair and restoration of damages incurred as a result of the Midwest floods of 1993, responsible Federal agencies shall follow procedures below:

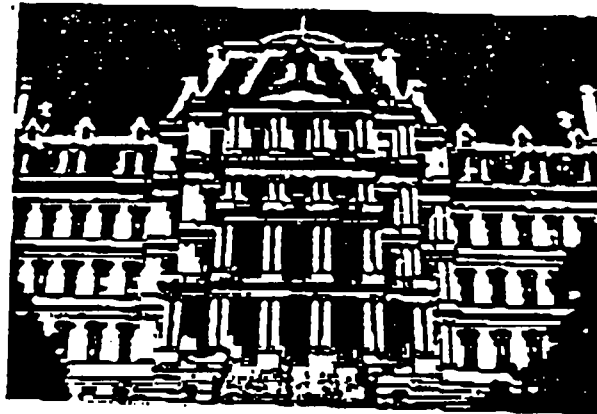
- At the time of initiating evaluation of proposals for repair and restoration of flood-damaged levees, each agency shall notify the appropriate agencies represented in the Disaster

Field Office (DFO), so that interested agencies may contribute to the evaluation process. The Federal Emergency Management Agency shall provide space at its DFOs for representatives of relevant agencies.

- In evaluating applications for levee repair and restoration in the region of the Midwest floods of 1993, each agency shall consider, to the extent practical, nonstructural alternatives and design modifications that could provide greater local benefits of flood control, reduction of future potential flood damages to the applicant and adjacent upstream and downstream localities, lower long-term cost to the Federal government, and natural resource protection. Agencies are encouraged to include other interested agencies during their evaluation process, to the extent practicable.
- Prior to final action on each application, project proposals shall be made available for review and comment to other Federal and State agencies and local interests represented at the applicable DFO for a minimum period of 24 hours (excluding weekends and holidays). Comments are to be made available to the projects' applicants. Agencies shall take these comments into consideration when making final project decisions.
- On a monthly basis, each agency shall report to the Office of Management and Budget and the Office on Environmental Policy on the status of levee repair and restoration, including: applications received, comments received, and actions taken.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of Management and Budget

FACSIMILE TRANSMITTAL SHEETNumber of Pages including cover 5Date: 9/22/93To: Cookie Wolden / Kathi WayFax Number: 17028Office Number: x 2334

Comments: Attached are the announcement and agenda for this week's Environmental Flood Recovery Working Group meeting. Brian Burke has been attending these meetings. I have asked that you be included on the distribution list from now on.

From: COURTNEY MANNING,
ASSISTANT TO T.J. GLAUTHIER

Fax Number: (202) 395-4561

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Courtney

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4 pages

September 21, 1993

NOTE TO: SEE DISTRIBUTION LIST
FROM: T.J. Glauthier and Katie McGinty
SUBJECT: Environmental Flood Recovery, Interagency Working Group

The next meeting of our interagency working group has been scheduled for Wednesday, September 22nd, 10:00 a.m., room 248 of the Old Executive Office Building (17th and Pennsylvania).

We intend to discuss three major items of ongoing interest to the task force:

1. OEP will discuss progress since the last meeting in developing a strategy paper for long-term recovery policy and program development.
2. There are several issues that have arisen over the past week or two that bear discussion by the task force. These include:
 - Cost-share waiver policy.
 - SCS Wetland Reserve Policy -- Status of distribution and implementation.
 - Multiple agency review of levees -- Should SCS repair levees that the Corps has denied assistance? Are there other levee reconstruction issues?
 - Problems/comments identified during OMB trip to the Midwest flood area.
 - Explanation of OMB/Interagency 1:00 p.m. meeting (9-22) on Floodplain Relocation Issues.
 - Tracking of flood recovery funds - start up.
3. The attached menu of programs that can, either separately or in combination, provide funding or other assistance for implementation of alternatives to levee reconstruction. Please be prepared to discuss whether your respective programs have been correctly categorized and any issues associated with this menu that need to be addressed prior to distributing it to the field. (Program summaries received to date will be distributed at the meeting. There are too many to fax.)

The next meeting, scheduled for September 29th in room 248 OEOB, will focus exclusively on the long-term strategy.

September 20, 1993

DRAFT

ALTERNATIVE FLOOD CONTROL PROGRAMS

What follows is a list of activities that could form the basis for an integrated, alternative Federal response to the Midwest flood. These activities have been selected for priority identification in this way because they have the following characteristics: available funding, administratively easy to access, timely, flexible, and effective.

Each activity could be selected by a local cooperator. Once selected, the activity would be carried out through a combination of programs administered by one or more agencies. Implementation of these activities in a coordinated way through a plan developed by the local cooperator would reduce flood losses, the mental, physical, and economic toll on towns and farms that have suffered repeated damage, long-term costs to society, and help restore lost or impaired environmental resources.

Activities

1. Restore wetlands that previously provided fish and wildlife habitat and flood storage.
2. Buy flood easements for frequently flooded cropland, making payment for crop losses when flooded. This will negate the need for levees and increase the natural storage capacity of the flood plain.
3. Elevate or relocate all or parts of communities. This will reduce damages, reduce the need for levee construction and maintenance, and also increase natural storage.
4. In Ag lands, relocate or elevate sparse farm structures and continue farming land. This will permit continued use of the land with its attendant economic benefits, but eliminate the repeated disruption and costs of flood damage to structures.

The attached matrix illustrates how various Federal programs can be combined to support these activities. Following the matrix is a summary of the programs that gives information on their objectives, cost-sharing requirements, available funding, and other important characteristics.

DRAFT

21-Sep-93

ALTERNATIVE FLOOD CONTROL PROGRAMS

Specific Programs	Alternative to Levees			
	Restore Wetlands	Ag Flood Easements	Relocate Farm Houses	Urban Relocations
Agriculture				
Wetland Reserve	X			
Emer Wetland Prot	X	X		
Commerce/EDA				
Flood Relief Pro				X
Corps of Engineers				
1135 (Env Restor)	X	X	X	X
EPA				
State Revolving Fnds	X		X	X
Sec 319 Grants	X	X	X	X
Wtr Pol Cntr (Sec 106)	X		X	X
(Tech Asst.)				
Wetlands Prot	X	X	X	X
FEMA				
Hazard Mit. Grants			X	X
Property Purchase			X	X
(Sec 1362)				
HUD				
CDBG			X	X
SBA				
Disaster Loans			X	X

Summary of Finney Plan Issues

(Comments received from: Army Corps of Engineers; Department of Housing and Urban Development; Small Business Administration; Executive Office of the President; Council of Economic Advisors, and; Department of Veterans Affairs)

1. Acquisition pattern issue:

A checkerboard pattern of acquisitions will result due to eligibility requirements and individual decisions.

(Army COE, Council of Economic Advisors)

2. Equity issues with respect to 100 year floodplain:

Plan focuses on properties within the 100 year floodplain, despite the fact that many affected properties exist outside of this area.

(Army COE, HUD)

3. Precedents issues:

- * It would be impossible to restrict this type of program to Kansas only

- * Can act as a disincentive to purchase insurance

(SBA, HUD)

4. Legal/program issues include:

- * Lack of mechanism to adjust amounts paid to homeowners to avoid windfalls or unjust enrichment

- * Cost sharing mechanisms not spelled out. Might cause a consistency problem

- * Use of CDBG funds to make acquisition payments substantially in excess of the market value of the properties is probably illegal

- * VA cannot legally prevent a loan holder from pursuing foreclosure

- * Reluctance of banks to forgive loans

(Army COE, HUD, SBA, VA)

5. Primary land use issue:

Local communities could permit reconversion of bought-out properties for non-residential or commercial uses in the future, thus recommitting the federal government to pay for disaster relief.

(Army COE, Council of Economic Advisors)

6. Cost issues:

- * There will be substantial pressures for higher appropriations for those who did not receive assistance

- * Plan would add to SBA disaster program losses and drive up subsidy rate

- * Buyouts of this kind reduce incentives to purchase insurance by lowering the relative value of insurance payments

(HUD, SBA, Council of Economic Advisors)

9/27/93 2:PM Flood Recovery.

Issues List
The Finney Plan State of Kansas

1. Patchwork of Buyouts negotiate with community to work on block by block basis. focused on highest priority communities
2. Precedent - KANSAS ONLY, AVAILABLE TO ALL
disincentive for flood insurance??
3. Funding

4. Eligibility for Assistance

5. Issues from the Floor

- permanent zone for deeds, federal deed restriction.

We are not going to "forgive" your federal mortgage.
We will provide a "loan" to assist with relocation.

→ ABILITY TO REPAY.

- DEFERRED FOR 5 months.
- HUD can purchase private mortgage, take it inside
- follow-up on taxability of funds used to resettle families from flood
- In 1973 there was statutory authority for loan forgiveness.

over

How would we characterize for Governors' Offices.