

Congress of the United States
Washington, DC 20515

June 2, 2021

The Honorable Jaime A. Pinkham
Acting Assistant Secretary of the Army for Civil Works
108 Army Pentagon
Washington, D.C. 20310-0108

Lieut. Gen. Scott A. Spellmon
Chief of Engineers
441 G Street, N.W.
Washington, D.C. 20314

Dear Acting Secretary Pinkham and General Spellmon:

We are writing in regard to the implementation of important provisions of the Water Resources Development Act of 2020 included within the Consolidated Appropriations Act of 2021 (P.L. 116-260). Specifically, we would like an update on the Corps' implementation of Division AA, Section 351, "Flood Control and Other Purposes." These provisions have significant implications for the State of Louisiana, and we want to ensure that eligible projects are given full consideration as intended by Congress.

Section 351 provides two methods of relief on the construction interest of a project for which there is a deferred payment agreement:

- Subsection (2) provides for a renegotiation of the terms of a qualified deferred payment at the request of the non-federal interest related to the terms of construction, including a reduction or elimination of the accrual of interest and adjustment of the interest rate.
- Subsection (4) provides that the Secretary shall remove the construction interest obligation of qualified projects in which the non-Federal interest makes a payment of at least \$200 million for that eligible deferred payment agreement on or before September 30, 2021, and the non-Federal interest repays the remaining principal by September 30, 2023.

As you may know, these provisions are intended to provide relief for a group of projects known as the Hurricane Protection System (HPS), rebranded after the 2005 Hurricane season as the Hurricane and Storm Damage Risk Reduction System (HSDRRS), which includes the Lake Pontchartrain and Vicinity (LPV), West Bank and Vicinity (WBV) and the Southeast Louisiana Urban Flood Control (SELA) projects. These projects have a history dating back to the 1960s, but their delayed and flawed implementation exacerbated the devastating loss of life and resulted in billions of dollars in damage from Hurricane Katrina. The then-head of the Corps of Engineers, Lt. General Carl Strock, admitted to a "design failure" on the part of the federal government saying, "This is the first time that the Corps has had to stand up and say, 'We've had a catastrophic failure.'" Together, these projects encompass a more than 300-mile protection system spanning four parishes around the greater New Orleans area.

The HPS was originally intended to be completed and turned over to the State of Louisiana in June of 2011; however, due to severe delays, the project is not expected to be turned over to the state until later this year, ten years past its original completion date. Throughout this time, construction interest has continued to accrue, at no fault of the non-Federal interest. As required by statute, Section 351 of the Water

Resources Development Act of 2020 seeks to relieve the significant financial burden of the projects' continued delays.

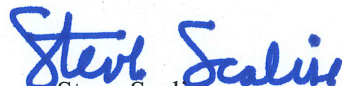
We request an update from the Corps on any guidelines developed to ensure prompt implementation of this non-discretionary provision upon notification of intent by the state of Louisiana and its parishes. Additionally, we would appreciate additional information regarding the crediting provisions included in subparagraph (3) of Section 351, including the methodology that will be used to identify project eligibility and the process for projects to qualify for such crediting. Louisiana's Coastal Protection and Restoration Authority has spent significant resources to repair and improve deficiencies in the HPS system, in addition to their cost share of the project.

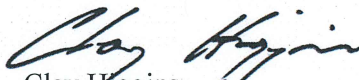
As you know, Louisiana has significantly and strategically invested in efforts to sustain the coast, safeguard coastal populations, and protect vital economic and cultural resources through its coastal masterplan. Ensuring a prompt implementation of Section 351 which adheres to congressional intent is crucial to ensuring that Louisiana is capable of continued investment in projects which protect and safeguard coastal communities, including providing additional protections which benefit the HPS system.

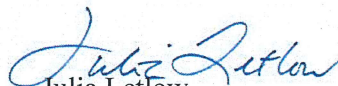
Louisiana's commitment to coastal protection and restoration is unparalleled. We look forward to working with the Corps on the implementation of these key provisions.

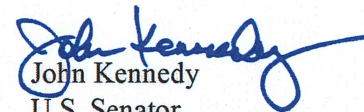
Sincerely,

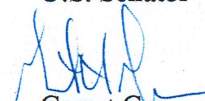

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