



DEPARTMENT OF THE ARMY

MISSISSIPPI VALLEY DIVISION, CORPS OF ENGINEERS

P.O. BOX 80

VICKSBURG, MISSISSIPPI 39181-0080

REPLY TO
ATTENTION OF:

Executive Office

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Mr. George W. Kelly
President
National Mitigation Banking Association
P.O. Box 547881
Orlando, Florida 32854

Dear Mr. Kelly:

Thank you for your letter dated January 19, 2010, regarding mitigation for unavoidable environmental impacts associated with the Hurricane and Storm Damage Risk Reduction System (HSDRRS) in the New Orleans area. Repairing and upgrading the New Orleans area levee system to provide a 100-year level of protection is a National priority mission for the Corps of Engineers and we are executing to meet this challenge on an unprecedented scale and pace.

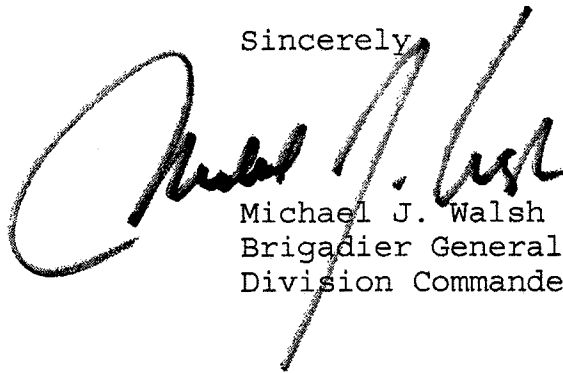
Mitigating unavoidable environmental impacts from levee and floodwall construction is a key component of the overall HSDRRS effort. Mitigation efforts must progress with the same emphasis as the structural elements of the work and our teams are working to develop the required plans and projects within environmental requirements such as the National Environmental Policy Act, Water Resources Development Act 2007, Section 2036; and current guidance and policy. The Corps is currently developing mitigation documents for Lake Pontchartrain and Vicinity and West Bank and Vicinity projects that will also encompass impacts from other HSDRRS construction components. These mitigation documents will be incorporated into a Comprehensive Environmental Document which will address the final comprehensive mitigation needs of the HSDRRS system, including impacts that have not yet been quantified.

Many considerations are taken into account regarding use of mitigation banks for unavoidable HSDRRS environmental impacts. Factors include current mitigation bank locations, size and habitat type, local sponsor requirements and desires, current regulations and guidance, resource agency input favoring planning and implementation of site-specific projects near HSDRRS construction, watershed benefits, proximity as HSDRRS storm buffers and some concerns on pricing and contracting. Our focus is to find the most appropriate mitigation and to do what is best

for the environment. When evaluating compensatory mitigation options, the Corps' process for evaluation of plan alternatives will consider what would be environmentally preferable. In making this determination, the Corps shall assess the likelihood for ecological success and sustainability, the location of the compensation site relative to the impact site and their significance within the watershed, and the costs of the compensatory mitigation project. While preliminary assessments have indicated mitigation banks are not appropriate to meet the currently identified wetland mitigation needs, mitigation banks remain a consideration for total system impacts not yet quantified. The option of utilizing mitigation banks also remains viable for all other civil works missions in the New Orleans District including other flood damage risk reduction projects

Our work to complete the system in the New Orleans area involves a great deal of innovative thinking, planning flexibility, and hard work with our partners. Current environmental information for HSDRRS projects including mitigation efforts can be found at <http://www.nolaenvironmental.gov/>. We value your organization as a key partner in our successful civil works programs and projects. If you have additional questions or concerns about this matter please contact Colonel Alvin Lee, Commander, New Orleans District at (504) 862-2077.

Sincerely,



Michael J. Walsh
Brigadier General (P), U.S. Army
Division Commander