

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, D.C. 20314-1000

EC 1105-2-405

CECW -CP

Circular
No. 1105-2-405

31 March 2005

EXPIRES 31 MARCH 2006

Planning

DIVISION ENGINEERS SUBMITTAL OF FINAL DECISION DOCUMENT
FOR PROJECTS REQUIRING SPECIFIC AUTHORIZATION

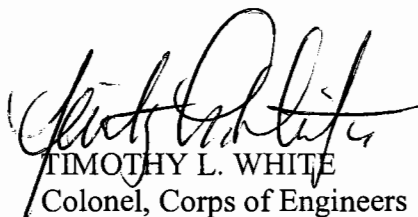
1. Purpose. The purpose of this Circular is to set forth modified procedures for Major Subordinate Commands (MSC) and District Commanders to prepare and transmit the results of the studies and their recommendations contained in decision documents that require authorization by the United States Congress.
2. Applicability. This Circular applies to all HQUSACE elements, major subordinate commands and district commands having Civil Works responsibilities. It is applicable to all Corps of Engineers Civil Works feasibility report and post authorization reports where new Congressional authorization is necessary.
3. References.
 - a. ER 1105-2-100, Planning Guidance Notebook (PGN)
 - b. Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, Water Resources Council, 10 March 1983
4. Background and Policy. In order to streamline and improve the planning study process, this circular establishes new procedures for preparing and transmitting final reports that require authorization by the United States Congress. A Division Engineer's Transmittal Letter will be established to endorse and transmit final feasibility report packages for Washington Level Review. The submittal package will include a Report Summary following the standard format presented in this circular. These new requirements will consolidate and replace several previous requirements, resulting in greater consistency among reports and less overall burden in the planning study process.
5. Division Engineer's Transmittal Letter. The Division Commander shall prepare a Division Engineer's Transmittal Letter to accompany the submittal of final feasibility reports for Washington Level Review. This requirement will replace the requirement to issue a Division Commander's Public Notice (ER 11-5-2-100, H -4, e.). Sample text to be included in the Division Engineer's Transmittal Letter is contained in Appendix A.

6. Report Summary. The District Commander shall prepare a Report Summary following a standard outline (Appendix B) for each final feasibility report submitted for Washington Level Review. The Report Summary is intended to provide a concise and comprehensive summary of the feasibility study and its recommendations. As such, the Report Summary should not exceed ten pages. The standard format will provide insights to the key problems and opportunities, risks and uncertainties, assumptions and other important considerations that underlie the recommendation. Additionally, the standard format will result in consistent reporting across studies, making cross-comparisons more possible. The Report Summary will serve several purposes: it will serve as the summary for the feasibility study report; it will serve as the summary for the Environmental Impact Statement; it will replace the Project Fact sheet; it will serve as the basis for the District Engineer Briefing (EC 1105-2-406); and it will serve as draft input to the preparation of the final report of the Chief of Engineers. The outline for the Report Summary is contained in Appendix B.

7. Implementation. This guidance is effective immediately. Districts and divisions should inform CECW-CP of any problems with the implementation of this guidance.

FOR THE COMMANDER:

2 Appendices
Appendix A - Format for Division
Engineer's Transmittal
Appendix B - Report Summary Format


TIMOTHY L. WHITE
Colonel, Corps of Engineers
Executive Director of Civil Works

APPENDIX A
Format for Division Engineer's Transmittal

I hereby submit the (subject report, specify) and concur with the findings and recommendations of the District Commander (specify name). In addition, I confirm that the report complies with all applicable policy and laws in place at the time of its completion.

Division Engineer Signature Block

Attachments

(subject report) (10 copies)

Report Summary

Documentation and certification of Independent Technical Review

Documentation and certification of policy and legal review

PGM compliance document

(and any other pertinent supplemental documentation, per ER 1105-2-100, Appendix H)

APPENDIX B
Report Summary format

REPORT SUMMARY
(Specify Study Name)

STUDY INFORMATION

Study Authority. Include the full text *of* principal resolutions(s) or other authority

Study Sponsor. Include the name(s) *of* the study sponsor(s).

Study Purpose and Scope. State whether the report is an interim or final response to the study authority. Succinctly identify the study purpose and scope.

Project Location/Congressional District. Include a concise description *of* the study area and project location (including clear maps with all key features identified) and identify the Congressional District(s).

Prior Reports and Existing Water Projects. Concise discussion *of* relevant prior studies, reports, NEP A documents and Endangered Species Surveys, existing water projects, and other key related activities. Relevant documents and projects undertaken by entities other than the Corps should also be included.

Federal Interest. Define the Federal interest, consistent with Army policies, based on an appraisal *of* the costs, benefits and environmental impacts *of* the recommended project alternative.

STUDY OBJECTIVES

Problems and Opportunities. Specify the key problems being addressed and the opportunities for alleviating them.

Planning Objectives. Statement *of* the intended purposes *of* the planning process; what alternatives are intended to achieve.

Planning Constraints. Restrictions that limit the extent *of* the planning process.

ALTERNATIVES

Plan Formulation Rationale. Strategies and approaches used to develop alternative plans.

Management Measures and Alternative Plans. Discussion of the measures, scales, and combinations used to develop alternative plans, and reformulation to refine the performance of alternatives (Tabular presentations to supplement discussion may be appropriate).

Final Array of Alternatives. Describe the plans that qualified for the final comparison, including the NED, NER or Combined Plan, and any Locally Preferred Plan. Discuss the rationale for eliminating alternative plans.

Comparison of Alternatives. Describe how the plans in the final array of alternatives compare in meeting the planning objectives and constraints. Cite key risks and uncertainties associated with the plans, and explain how these factors have been treated. Identify key trade offs among the alternatives (could be among outputs and effects, or against risks and uncertainties).

Key Assumptions. Identify key assumptions that underlie the analysis. Consider hydrologic, environmental, economic, and other assumptions key to the formulation and recommendation, including those related to analytic models used in the study.

Recommended Plan. Identify the selected plan, and describe the rationale supporting the selection.

Systems / Watershed Context. Describe how the Recommended Plan is integrated with other watershed purposes. Discuss agency partnerships and cooperation. Include which other agencies were invited to be formal Cooperating Agencies and those which accepted, and identify the responsible lead agency.

Environmental Operating Principles. Describe how the recommendation supports the USACE Environmental Operating Principles.

Independent Technical Review. Describe how the plan and associated analyses were reviewed for technical quality, as well as any substantive technical comments and their resolution.

EXPECTED PROJECT PERFORMANCE

Project Costs. Present all project costs by category (including construction; LERRD; E & D; S & A; deferred (periodic nourishment); non-Federal Mitigation; and any other as applicable), and detail any cost allocation and/or cost apportionment as applicable. Specify price level and discount rate applied. Please follow the sample Table 1 format to the extent possible for each study:

TABLE 1 (sample)
PROJECT FIRST COSTS
"SUBJECT STUDY"
(October 200x Price Levels)

<u>Construction Item</u>	<u>Cost</u>
Lands & Damages	\$ 900,000
Relocations 6,750,000 Locks 163,150,000	
Fish & Wildlife Mitigation	5,100,000
Channel Improvements	10,138,000
Cultural Resources Preservation	100,000
Buildings, Grounds, & Utilities	5,200,000
Permanent Operating Equipment	2,500,000
Engineering & Design	34,850,000
Construction Management	10,650,000
HTRW Remedial Action	<u>100,000</u>
<u>Total Project Construction Costs</u>	<u>\$ 239,438,000</u>

Equivalent Annual Costs And Benefits. List all project costs and benefits computed to an annual equivalent basis, including results of risk and uncertainty analyses. Distinguish between major categories of benefits (both within and between the four accounts, as appropriate: NED, RED, EQ, OSE), monetary and non-monetary benefits, and primary versus incidental benefits. Present net-benefits and benefit/cost ratios where applicable. (Include benefit/cost ratio evaluated at a 7 percent discount rate per Executive Order 12893.) Please follow the sample Table 2 A & B formats to the extent possible for each study. Benefits from Ecosystem Restoration studies do not require monetization, and should be displayed in the units used in the evaluation. Benefit cost ratios are not required for NER projects. Combined Plans should list both NED and NER benefits and costs associated with the recommended plan:

EC 1105-2-405
31 Mar 05

TABLE 2A (sample NED)
EQUIV ALENT ANNUAL BENEFITS AND COSTS "SUBJECT STUDY"
(October 200x Price Level, 50-Year Period of Analysis, 6.125 Percent Discount Rate)

<u>Investment Costs:</u>	
Total Project Construction Costs	\$ 239,438,000
Interest During Construction	<u>36,610,000</u>
Total Investment Cost	\$ 276,048,000
<u>Average Annual Costs:</u>	
Interest and Amortization of Initial Investment	\$ 17,820,000
<i>(additional annual costs, if applicable)</i>	1,634,000
OMRR&R .	<u>2,534,000</u>
Total Average Annual Costs	\$ 21,988,000
Average Annual Benefits	\$ xX,xxX,xxx
Net Annual Benefits	\$ X,xxX,xxx
Benefit-Cost Ratio	x.x to 1
Benefit-Cost Ratio (computed at 7%) ¹	x.x to 1

I Per Executive Order 12893

**TABLE 2B (sample Combined Plan)
"SUBJECT STUDY"
ECONOMIC COSTS AND BENEFITS OF RECOMMENDED PLAN1 (\$1,000)**

Item	FDR		Ecosystem		Total Costs	
	Allocated	Benefits	Allocated.	Benefits	Allocated	Benefits
	Costs		Costs		Costs	
Investment Cost						
First Cost	4,260		40,446		44,706	
Interest During Construction	271 ³		3,066 ⁴		3,337 ⁴	
Total	4,531		43,512		48,043	
Annual Cost						
Interest and Amortization ¹	272		2,615		2,887	
OMRR&R ²	47		8		55	
Subtotal	319		2,623		2,942	
Annual Benefits						
Monetary (FDR)		577				577
Non-monetary (Ecosystem)				888		888
				AAHU's		AAHU's
Net Annual FDR Benefits		258				258
FDR Benefit-Cost Ratio		1 .8 to 1				1 .8 to 1
FDR Benefit-Cost Ratio (at 7%) ⁵		X.X to 1				X.X to 1

¹Based on October 200x price levels, 5 5/8 percent rate of interest, and a 50-year period of analysis.

²Operation, Maintenance, Repair, Replacement, and Rehabilitation

³Two year period of construction assumed for J levee removal and construction of setback levee

⁴Three year period construction assumed for overall project

⁵ Per Executive Order 12893

Cost Sharing. Present all financial costs of the Project and describe how such costs will be shared with the non-Federal sponsor, including in-kind services, LERRDS, other credits, and any other applicable considerations.

Project Implementation. Identify the non-Federal sponsor(s) for project implementation. Briefly state institutional arrangements, responsibilities of the various partners, and other information pertinent to implementation. Include plans for adaptive management and resource monitoring if applicable.

Operation, Maintenance, Repair, Rehabilitation, and Replacement (OMRR&R). Present summary of OMRR&R actions, costs, and responsibilities.

Key Social And Environmental Factors. Identify key social and environmental factors and consequences associated with the plan, and the influence these key factors had on the formulation of the alternatives and on the selection process. Describe cumulative effects where appropriate.

EC 1105-2-405

31 Mar 05

Describe any mitigation actions associated with the plan, efforts taken to avoid/minimize adverse impacts, and commitments related to monitoring and management of mitigation actions.

Stakeholder Perspectives And Differences. Describe public involvement, review and consultation actions; describe key perspectives and differences among stakeholders based on comments received on the draft report and responses to those comments. Note actions that have been taken to resolve issues, and actions proposed to address any unresolved issues.