



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

CECW-P

April 13, 2020

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: Comprehensive Documentation of Benefits in Feasibility Studies

1. References:

a. Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, 10 March 1983.

b. Principles, Requirements, and Interagency Guidelines, March 2013 / December 2014.

c. Memorandum, Assistant Secretary of the Army for Civil Works, 3 April 2020, subject: Comprehensive Documentation of Benefits in Feasibility Studies.

2. Reference 1a established four accounts to facilitate evaluation and display of the effects of alternative plans – National Economic Development (NED), Environmental Quality (EQ), Regional Economic Development (RED), and Other Social Effects (OSE). Display of the NED account was mandatory and use of the RED and OSE accounts were discretionary.

3. Reference 1b directs development of Agency Specific Procedures (ASPs) to implement the Principles, Requirements, and Guidelines (PR&G). We are working with the Assistant Secretary of the Army for Civil Works (ASA(CW)) office to develop the ASPs and anticipate a completion date of October 1, 2020. Parallel and subsequent to the finalization of the ASP, Headquarters will also work with the ASA(CW)'s office to provide more detailed guidance on implementation of the ASPs by the end of the calendar year.

4. Reference 1c directs the evaluation and display of the RED and OSE accounts, which have been discretionary in feasibility reports to date. In addition, it realigns the emphasis NED, RED, and OSE receive in the evaluation and display of the four accounts in feasibility studies and reports.

5. Interim implementing guidance for reference 1c will be sent out within four weeks. The timing of additional guidance is critical because several ongoing studies will have to incorporate at least qualitative, but sometimes quantitative, analyses in their draft and final reports. Additionally, districts are currently scoping new feasibility studies and need this guidance to inform their study plans.

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a. The interim implementing guidance will include interpretations of some wording, including the categories of RED and OSE impacts and outcomes that will be expected to be addressed. The interim guidance will also describe how to report each of the accounts, including how to qualitatively and quantitatively describe the analysis and display of tradeoffs between NED, RED and OSE.

6. Until the interim guidance is transmitted, project delivery teams will continue to execute their planned study activities. Final guidance regarding reference 1c will be incorporated into the guidance being developed for reference 1b. HQUSACE will also be identifying the resources necessary to update and develop appropriate tools and models necessary to implement this directive.

7. The point of contact for this effort is Ms. Stacey E. Brown, SES, HQUSACE Chief of Planning and Policy, at (202) 761-0115 or stacey.e.brown@usace.army.mil.



ALVIN B. LEE
Director of Civil Works

Encl



**DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
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108 ARMY PENTAGON
WASHINGTON DC 20310-0108**

SACW

3 April 2020

MEMORANDUM FOR THE COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS

SUBJECT: Comprehensive Documentation of Benefits in Feasibility Studies

1. References:

a. Economic and Environmental Principles and Guidelines for Water and Land Resources Implementation Studies, March 10, 1983.

b. Engineer Regulation 1105-2-100, Planning Guidance Notebook.

c. Regional Economic Development (RED) Procedures Handbook, Institute for Water Resources Report 2011-RPT-01.

d. Other Social Effects: A Primer, Institute for Water Resources Report 2013-R-02.

2. I look forward to working with you to modernize the way we consider and deliver investments in water resource problems through the development of Agency Specific Procedures (ASPs) for the Principles, Requirements and Guidelines (PR&G) approved by the Water Resources Council in 2014. The PR&G are an updated framework for evaluating and selecting major water projects and supersede the previous framework, established in 1983, commonly referred to as the Principles and Guidelines (P&G). We anticipate completion of the ASPs by October 1, 2020. We also expect that effort to be followed by revision to internal agency policy guidance to provide further, more detailed guidance to study teams by the end of the year. In the interim, there are key steps we can implement now to vastly improve the evaluation and documentation of benefits consistent with both the 1983 Principles and Guidelines (P&G, Reference A) and its replacement, the PR&G.

3. The P&G established four accounts to facilitate and display the effects of alternatives plans in the formulation of water resource projects while recognizing the importance of maximizing potential benefits relative to project costs. The Principles and Guidelines and Planning Guidance Notebook (Reference B) indicate that of the four accounts, the National Economic Development (NED) and Environmental Quality (EQ) accounts are mandatory for all feasibility studies while the Regional Economic Development (RED) and Other Social Effects (OSE) accounts are considered discretionary. The EQ account will be addressed through compliance with the National Environmental Policy Act through the procedures outlined in ER 200-2-2.

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4. In reviewing completed feasibility studies, the emphasis on the estimation of NED benefits has resulted in an inconsistent approach to the evaluation of RED and OSE benefits. Failure to identify and evaluate all project benefits of Civil Works projects understates the value of such investments and creates challenges for the public, decision makers within the Administration, Congress, as well as federal and non-federal partners in understanding the outputs of potential plans. The lack of consideration of all benefits has become apparent which raises concern that investments decisions for Civil Works projects are incomplete, leading to suboptimal investment decisions.

5. In order to fully assess the outputs of resource projects, I hereby direct you to identify, analyze and maximize all benefits in the NED, RED, and OSE. The level of detail of the analysis, however, may be adjusted based on the magnitude of the benefit, value to decision-making, availability of data, and tools or procedures for quantification or monetization of benefits. This requires deliberate focus during the study scoping period, which shall include discussions with project sponsors, the public and stakeholders, such that informed study scoping decisions can be made and a commensurate evaluation identifying maximum benefits can be accomplished

6. It is expected the implementation of this guidance will be carried out as follows:

a. For feasibility studies that have completed the Tentatively Selected Plan (TSP) milestone, you will qualitatively describe the impacts associated with the RED and OSE accounts to include impacts to life safety and local and regional economies. NED benefits should be quantified to the fullest extent reasonably possible.

b. For feasibility studies that have been initiated but have not yet completed the TSP Milestone, you will make all efforts to quantify and maximize the benefits associated with the NED, OSE and RED accounts. While flexibility in the methodologies to be used should be allowed, the Regional Economic Development (RED) Procedures Handbook (IWR 2011-RPT-01) and Other Social Effects: A Primer (2013-R-02) can serve as tools to guide the level of analysis.

c. For future feasibility studies, you will include a commensurate assessment of all project benefits in all accounts to inform agency recommendations. The time and cost associated with these analyses will be documented in the Scope of Work that accompanies the Feasibility Cost Sharing Agreement and will be agreed upon with the non-Federal sponsor. While it is not expected to be the case for most studies, if evaluation of these benefits results in the study exceeding \$3 million and three years, an exemption can be submitted to establish vertical team alignment on the time and money required to complete the identified tasks. This exemption request should be made early in the study process to coordinate the anticipated level of detail and analyses required and to achieve vertical alignment.

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7. You will continue to invest the resources necessary for model development and other tools necessary to fully capture maximum benefits associated with all accounts. These efforts will be led by the U.S. Army Corps of Engineers' Institute for Water Resources.

8. Questions regarding this memorandum should be directed to David Leach, Deputy Assistant Secretary of the Army, Project Planning and Review at (202) 761-0016 or

R.D. JAMES
Assistant Secretary of the Army
(Civil Works)

Enclosure

CF:
Deputy Commanding General, Civil and Emergency Operations, ATTN: MG Spellmon
Director of Civil Works, ATTN: Mr. Lee