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

REPLY TO
ATTENTION OF

MAY 25 2011

CECW-MVD

MEMORANDUM FOR COMMANDER, Mississippi Valley Division (CEMVD-PD)

SUBJECT: Implementation Guidance for Section 1001 (24) of the Water Resources Development Act of 2007 (WRDA 2007) – MORGANZA TO THE GULF OF MEXICO, LOUISIANA

1. Section 1001 (24)(A) of WRDA 2007 authorizes a project for hurricane and storm damage risk reduction, Morganza to the Gulf of Mexico, Louisiana, at a total cost of $866,700,000. Section 1001 (24) (B) provides that operation, maintenance, repair, rehabilitation, and replacement (OMRR&R) of the Houma Navigation Canal lock complex and the Gulf Intracoastal Waterway floodgate features of the project that provide for inland waterways transportation shall be a Federal responsibility in accordance with section 102 of WRDA 1986 (33 U.S.C. 2212) . A copy of section 1001 (24) is enclosed for your information.

2. Modifications to the project necessary to incorporate new storm modeling data and design criteria developed since Hurricanes Katrina and Rita will result in a total project cost that exceeds the allowable cost under Section 902 of WRDA 1986. The Post Authorization Change (PAC) report that is underway must include an analysis of pre- and post-Katrina 100-year alternatives, and the project levee alignment. A draft PAC report or appropriate Alternative Formulation Briefing (AFB) documentation will be provided to the MVD RIT for policy review. A briefing will be provided to the ASA(CW), prior to approval and release of the draft PAC report for public review. To facilitate development of the PAC report, ensure vertical team in-progress review meetings are scheduled at critical points of the PAC study.

3. Eligibility for non-Federal sponsor in-kind contributions credit will be governed by the in-kind contribution provisions of Section 221 of the Flood Control Act of 1970, as amended by Section 2003 of WRDA 2007. For in-kind contributions provided after November 8, 2007 but before the Project Partnership Agreement (PPA) to be considered eligible for credit under Section 221, the Secretary and the non-Federal interest must enter into an in-Kind Memorandum of Understanding prior to the non-Federal sponsor providing or performing such in-kind contributions. EC 1165-2-208 provides guidance on the in-kind contribution provisions of Section 221. The PAC report shall include a discussion of whether design and construction carried out by the non-Federal sponsor in accordance with the in-kind contribution provisions of Section 221 are considered integral to the *recommended* plan and should be eligible for credit. The PAC report shall also include a discussion of the impact any proposed in-kind work will have on the without project condition and project justification. In-kind work undertaken by the

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non-Federal sponsor consistent with the requirements of procedures outlined in EC 1165-2-208 will not be considered part of without project conditions. In-kind work undertaken by the non-Federal sponsor not meeting the requirements of EC 1165-2-208 will be considered part of without project conditions.

4. Preparation of the PAC report should continue under the existing design agreement. Recommendations in the PAC report should be made in consideration of maximizing excess benefits over costs. Selection of a plan with lower excess benefits over cost must be coordinated with HQUSACE and ASA(CW) prior to release of the draft PAC report for public review. The PCA report will be submitted to HQUSACE for review, approval and if required processing to Congress.

5. The PAC report will present the district's analysis in determining operation, maintenance, repair, rehabilitation, and replacement (OMRR&R) responsibilities and clearly delineate those features of the Houma Navigation Canal lock complex and the Gulf Intracoastal Waterway floodgate that provide for inland waterway transportation. In accordance with Section 1001 (24)(B), OMRR&R of the Houma Navigation Canal lock complex and the Gulf Intracoastal Waterway floodgate features that provide for inland waterway transportation shall be a Federal responsibility. The non-Federal sponsor shall be responsible for all other remaining OMRR&R requirements of the project.

6. While the non-Federal sponsor has initiated design and construction of certain segments of the proposed Federal project, initiation of Federal construction of the Morganza to the Gulf of Mexico project will be subject to satisfactory compliance with all NEPA requirements, Congressional authorization, if required, the provision of construction appropriations and execution of a project partnership agreement.

FOR THE COMMANDER:

Theodore A. Brown

Encl

THEODORE A. BROWN, P.E.
Chief, Mississippi Valley Division
Regional Integration Team
Directorate of Civil Works

(24) MORGANZA TO THE GULF OF MEXICO, LOUISIANA-

(A) IN GENERAL- The project for hurricane and storm damage reduction, Morganza to the Gulf of Mexico, Louisiana: Reports of the Chief of Engineers dated August 23, 2002, and July 22, 2003, at a total cost of $886,700,000, with an estimated Federal cost of $576,355,000 and an estimated non-Federal cost of $310,345,000.

(B) OPERATION AND MAINTENANCE- The operation, maintenance, repair, rehabilitation, and replacement of the Houma Navigation Canal lock complex and the Gulf Intracoastal Waterway floodgate features of the project described in subparagraph (A) that provide for inland waterway transportation shall be a Federal responsibility in accordance with section 102 of the Water Resources Development Act of 1986 (33 U.S.C. 2212).