



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

JAN 09 2007

Honorable Richard B. Cheney
President of the Senate
U.S. Capitol Building, Room S-212
Washington, D.C. 20510-0012

Dear Mr. President:

In response to a resolution adopted by the Committee on Transportation and Infrastructure of the U.S. House of Representatives adopted September 12, 1996, and the feasibility study conducted by the U.S. Army Corps of Engineers, the Secretary of the Army recommends authorization of a flood damage reduction project for the Town of Bloomsburg, Columbia County, Pennsylvania. The project is described in the report of the Chief of Engineers dated January 25, 2006, which includes other pertinent reports and comments. The views of the Commonwealth of Pennsylvania, the Department of the Interior, the Environmental Protection Agency, and the Federal Emergency Management Agency are set forth in the enclosed report. The Secretary of the Army plans to implement the project through the normal budget process at the appropriate time, considering national priorities and the availability of funds.

The recommended flood damage reduction plan consists of a series of floodwalls and levees that provide protection from a Hurricane Agnes-level storm (440-year return frequency) to low lying areas of the Town of Bloomsburg between the Susquehanna River and Fishing Creek. The plan includes approximately 17,570 linear feet of levees and floodwalls with 14 drainage structures, limited road raisings, and 8 closure structures. Additional structural protection is provided against a 100-year storm to mitigate induced flooding to Fernville on Fishing Creek. As part of the recommended plan, upgrades to the existing flood warning system include a river gage along Fishing Creek, upgrading an existing river gage on the Susquehanna River upstream of the project area, rain gages (as needed) in the Fishing Creek watershed and radio towers and telemetry equipment to provide alerts regarding high-water events. These upgrades would serve to determine evacuation procedures and actions necessary to ensure closure structures are in-place and functional. This network would supplement and work in association with the existing flood warning network maintained by the Commonwealth.

Based on December 2006 price levels, the estimated total first cost of the project is \$45,233,000. All of the project costs are allocated to the flood damage reduction purpose. Based on the cost sharing requirements of WRDA 1986, as

amended, the Federal share of the project is approximately \$29,402,000, and the non-Federal share is approximately \$15,832,000, comprised of \$12,258,000 for lands, easements, rights-of-way, relocations and dredged material disposal areas (LERRD), \$2,262,000 as five percent cash and a remaining cash balance of \$1,312,000. An additional cost of approximately \$900,000 for remediation of hazardous, toxic, radioactive waste (HTRW) may be assigned to the non-Federal sponsor if detailed testing during Preconstruction Engineering and Design (PED) determines that disposal materials from the site are categorized as CERCLA hazardous substances. This would increase the non-Federal cost to \$16,732,000. The annual cost for operation, maintenance, repair, rehabilitation, and replacement (OMRR&R) of the recommended project is estimated at \$185,000, which would be the responsibility of the non-Federal sponsor, the Town of Bloomsburg.

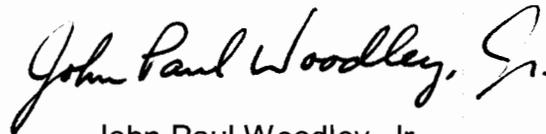
The recommended plan is the national economic development plan. Based on December 2006 prices and a Federal discount rate of 4.875 percent, the estimated average annual cost of the recommended plan is \$2,615,000, which includes annual OMRR&R. The project yields average annual benefits of \$3,700,000, and average annual net benefits of \$1,085,000. The project's benefit-to-cost ratio is 1.4 to 1.0.

Construction of the NED plan will require the unavoidable filling of approximately 0.7 acres of wetlands. To offset this impact, approximately 1.1 acres of non-wetland area will be graded to retain surface water and planted with native wetland trees and shrubs. The replacement wetlands will be monitored up to five years. In addition, up to 3,000 linear feet of forested riparian bank will be permanently lost as a result of rip-rap placement along the banks of the creek. To offset this impact, the Corps is proposing to improve fish passage by removing a timber crib structure on Fishing Creek, about one mile downstream from the project area. This will restore anadromous fish access by reconnecting fish habitat in lower Fishing Creek with habitat in the Susquehanna River and will mitigate for 3,000 linear feet of lost riparian bank.

The plan recommended by the Chief of Engineers at a total cost of \$45,233,000 includes \$1,902,000 to mitigate for impacts to significant fish and wildlife resources. I have determined that while I support the District's conclusions regarding compensatory mitigation for fish and wildlife impacts, the cost estimate for accomplishing the recommended mitigation is not in accordance with policy; the cost of the implementing the mitigation has been overestimated by about \$1,585,000. The corrected total project cost which I support is \$43,648,000, with Federal and non-Federal cost shares of about \$28,371,000 and \$15,277,000, respectively. After correcting the mitigation cost estimate, average annual costs are recalculated to be \$2,530,000, and when compared with the project's average annual benefits of \$3,700,000, the project's benefit-to-cost ratio increases to 1.5 to 1.0. Annual net benefits are recalculated as \$1,170,000. All other project elements remain as proposed.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress. The Administration will give initial construction a low budgetary priority, based on the most current performance-based budgeting guidelines and the benefits and costs of the project. A copy of the OMB letter is enclosed. I am providing a copy of this transmittal and the OMB letter dated December 20, 2006 to the House Subcommittees on Energy and Water Development, and Water Resources and Environment in accordance with the requirements of the Fiscal Year 2006 Energy and Water Development Appropriations Act (P.L. 109-103).

Very truly yours,

A handwritten signature in black ink that reads "John Paul Woodley, Jr." in a cursive script.

John Paul Woodley, Jr.
Assistant Secretary of the Army
(Civil Works)

Enclosure



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JAN 09 2007

Honorable Nancy Pelosi
Speaker of the House
of Representatives
U.S. Capitol Building, Room H-232
Washington, D.C. 20515-0001

Dear Madam Speaker:

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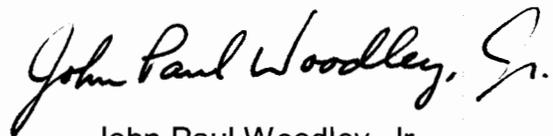
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