

MAY - 8 2006

MEMORANDUM FOR Commander, Mississippi Valley Division 

**SUBJECT:** Civil Works Review Board (CWRB) directions on Port of Iberia Navigation Draft Final Feasibility Report and Environmental Impact Statement.

1. **Reference:** Meeting, CWRB, 27 April 2006, subject: Port of Iberia Navigation Feasibility Draft Final Report and Environmental Impact Statement.
2. **Purpose.** To provide the Mississippi Valley Division (CEMVD) directions for expanding its rationales for plan selection and project recommendation as presented in the feasibility report. At the referenced CWRB meeting, the Board voted 5-0 to delay initiating State and Agency review pending review of additional information to be provided by CEMVD in support of its recommendation.
3. **Direction:** The Board instructed CEMVD to develop a project recommendation substantiated by the economics data collection and scenario analysis results. The data and results should demonstrate a clear linkage to the project recommendation. Specifically, CEMVD should incorporate the following items in its expanded analysis and rationale for a project recommendation:
  - a. Identification of the underlying assumptions, including competition, topside forecasts, and modularization. This must include consideration of the potential for shipments using two barges.
  - b. An evaluation of the data collected, including confidence levels, reasonability, and suitability.
  - c. Identification of key areas of uncertainty and estimation of respective bounds.
  - d. An assessment of the market share scenarios, including estimated probabilities of occurrence.
  - e. An evaluation of the deep-water topside production forecast methodologies, including their comparability and reasonability
  - f. An assessment of benefits not quantified, to include, but not limited to economic impact of offshore energy and transportation cost savings.

The Board did not recommend specific methodologies for the expanded rationale, but during discussions suggested statistical or heuristic methods such as expected value calculations, probability bounds analysis, and risk assessment. CEMVD may consider different methodologies, quantitative and qualitative, to use project data and scenario results in developing a recommendation; however, the recommendation should be informed by all items presented above as 3.a.-f. Additionally, CEMVD should include supporting rationale for its Federal cost-sharing recommendation, given modularization practices.



CECW-PC

SUBJECT: Civil Works Review Board (CWRB) directions on Port of Iberia Navigation  
Draft Final Feasibility Report and Environmental Impact Statement.

3. Review. The Board will review the documentation supporting the expanded rationale for the project and cost-sharing recommendations and determine the next course of action.

FOR THE COMMANDER

*Please provide  
transmittal letter with  
your Commander's  
assessment*

  
DON T. RILEY  
Major General, USA  
Director of Civil Works