CECW-MVD 15 November 2007

MEMORANDUM FOR RECORD

SUBJECT: Civil Works Review Board (CWRB), Mississippi River Gulf Outlet (MRGO) Deauthorization Study

Date of CWRB: 19 October 2007

CWRB Members: MG Johnson (DCG, Chair), MG Riley (DCW), Raleigh Leef (Planning CoP), Mark Sudol (LRD RIT Leader) and James Dalton (Engineering and Construction CoP).

Key Participants:

HQUSACE: Zoltan Montvai (Acting Chief, MVD RIT), Office of Water Project Review (OWPR) (Robyn Colosimo, Tom Hughes), Office of Counsel (Dan Inkelas) & MVD RIT (John Lucyshyn and Aaron Snyder).

MVD: BG Crear, Karen Durham-Aguilera, Susan Smith, Dave Jenkins.

MVN: Col Lee, Ed Watford, Tom Podany, Troy Constance, Greg Miller, Sean Mickal, Mark Haab.

State of Louisiana: Norywn Johnson.

ASA(CW): Doug Lamont

OMB: Julie Middleton

OWPR Recommendation: Approval of the report for release for State and Agency review pending conclusion of the ITR process, a revised sponsor letter of commitment, and upon providing a complete final document to HQ and the ITR team for a final check prior to initiation of State and Agency review.

CWRB Decision Made: Approval of release of the report for State and Agency review contingent upon resolving ITR and policy issues. A revised sponsor letter of commitment is required before the Chief's Report is finalized.

Vote: Unanimous.

Key Issues/Questions Raised by the CWRB:

1. Comparison and Screening of Alternatives. The Board was not clear as to the District's rationale for selecting Alternative #1 over Alternative #3. The Board questioned if the district has a display of the four criteria (Completeness, Effectiveness,

Efficiency, and Acceptability) for each of the alternatives at a consistent level of detail. The Board indicated such a chart should be included in the revised report. The overriding concern raised multiple times during the meeting was that the district needs to do a better job presenting a convincing argument for recommending alternative #1 (Rock Closure) over alternative #3 (Cease O&M). During discussions it was noted that this was not a normal feasibility study where we are evaluating a new investment of Federal funds, rather we are evaluating how best to dispose of a Federal project. Therefore, the analysis shifts from primary emphasis on efficiency to more emphasis on acceptability. It was also noted that USACE has precedence to do more than the NED Plan in the disposition of a Federal project.

2. Cost Estimate. The Board asked the District how confident they are that they have the appropriate cost estimate and if the contingencies used in the cost estimates were based on risk analysis. The district responded that risk analysis and material availability was taken into consideration when developing contingencies and IWR assisted in developing the transportation costs. The board also asked if the cost comparison was between authorized costs or historical maintenance costs. The District indicated that they used the historical maintenance costs expended not the cost to keep the channel open to the authorized dimensions.

3. ITR. The Board questioned the ITR team if ITR comments have been resolved. The ITR team discussed the remaining unresolved issues which they had forwarded to HQUSACE for resolution.

a. Proposed cost sharing. The ITR team observed that the benefits of the closure appear to be primarily environmental, which would suggest that the closure structure should be cost shared as an environmental/ecosystem restoration project. Several participants observed that the deauthorization study is not a request for project authorization subject to cost-sharing prescriptions. The Board indicated that the district needs to strengthen their rationale of why the closure structure is the selected plan for deauthorization of the deep draft navigation project since the plan selection affects cost sharing.

b. Report level of detail. The ITR Team noted that the point of this comment was to communicate to the Board the supporting level of detail in the decision document was not at a traditional feasibility level. The ITR team also noted that feasibility level detail may not be required for a deauthorization study. The Board acknowledged the concern and asked how the PCX should adapt to efforts that are not typical, like deauthorization studies. The ITR team noted that they would work with the PDT to get this issue resolved.

c. Lack of Sponsor. The letter of support provided by state and self certification were not sufficient as they did not demonstrate the sponsor's understanding of the extent of their responsibilities. Norwyn Johnson, State of Louisiana, indicated that the State fully supports the recommended action and will act as the non-Federal sponsor. The vertical team agreed to work with the state to provide a sufficient letter during the State and Agency review process.

d. Recommended Plan not NED. OASA(CW) questioned whether alternative #3 as laid out is the NED plan, while the recommendation is for alternative #1, and noted that in the case of a typical project, it would be necessary to obtain ASA(CW) approval in order to recommend a plan other than the NED plan. During the ensuing discussion it was noted by several participants that this deauthorization study is not a request for project authorization in which an NED plan would have to be identified. OASA(CW) suggested that alternative #1 be referred to as the "Federally supported plan." The MVD RIT and OWPR will work with ASA(CW)'s office, prior to initiating State and Agency review, to resolve this issue.

4. Miscellaneous Questions asked by the Board.

a. The district was requested to provide 2004 data on the number of shallow and deep draft trips and tonnage and expected tonnage for the authorized project and what was the expected usage of MRGO supposed to be. The district provided information about the Central Port Plan which was for a port expansion, this expansion did not occur. The District did not know the expected tonnage but indicated they would get the information and include in the revised report

b. The district was asked if navigation aids are removed from the channel would or should navigation vessels continue to use the channel. The District expected that people will still use the route without the total closure. The ITR team indicated that it would not expect to see much usage since it would impact their insurability but you could expect that there would be some use. The Board indicated that this part of the story telling needs to be included in the revised report.

c. The Board indicated that the district should share its lessons learned with regards to the change in sponsorship so late in the study process. How was the district able to successfully bring on a different sponsor? Important lessons could be applied Corps-wide.

<u>Actions Required prior to S&A Review</u>: The district needs to resolve the remaining ITR and policy compliance issues and revise the report accordingly. The revised final report needs to be provided to the OWPR for back check prior to initiating S&A review.

Attachments: PowerPoint handouts (including District Engineer, Division Engineer, Sponsor and Office of Water Project Review briefs); Project Summary; and Proposed Chief of Engineers Report.