

March 5, 1991

Plan Development Section

Honorable Doris Anderson
Mayor of Dauphin Island
Post Office Box 610
Dauphin Island, Alabama 36528

Dear Mayor Anderson:

This is a follow-up to your recent telephone discussion with Mr. Charles Owens of my staff concerning the status of the Fort Gaines Channel project at Dauphin Island, Alabama. Improvement of the Fort Gaines Channel was studied and authorized under Section 107 of the River and Harbor Act of 1960. Unfortunately, we have recently been directed to terminate all Section 107 efforts. Based on the Fiscal Year 1992 budget, all Continuing Authorities (except Section 205) are being phased out in order to concentrate limited resources on solutions to problems that are more clearly beyond the capability of local entities to carry out for themselves. An excerpt from the budget explaining the proposal is enclosed. On this basis, all Section 107 projects not under construction or approved for construction, including the Fort Gaines Channel improvements, are being terminated.

In light of the above, a discussion on cost sharing may be moot. You will recall, however, that in our Feasibility Report for the Fort Gaines Channel improvement, 33 percent of the project benefits were derived from recreational navigation. We did not compute a separable cost for this recreation boating and we used the 90 percent Federal/10 percent non-Federal cost sharing rule for the first cost of small navigation projects, with an additional 10 percent of the first cost paid over time by the sponsor. This resulted in less cost to you as the non-Federal sponsor.

Recent guidance has shown that this was in error. Section 103 (c)(4) of the Water Resources Development Act of 1986 requires that the non-Federal sponsor pay 50 percent of project costs allocated to recreation.

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We must, therefore, revise the estimated cost sharing for this project to reflect current guidance and the ratio between commercial and recreational benefits. The 65 percent of the cost attributable to commercial navigation will be shared on the original of 90/10 ratio (plus another 10 percent of that cost over time). If you decide to pay the 10 percent cost-over-time up front, the ratio, obviously, would be 80/20. The remaining 35 percent of the project cost attributable to recreation navigation must be shared on a 50/50 ratio between us (but without the 10 percent over time since that applies only to commercial navigation).

The estimated cost for project construction is \$143,200. Of this amount \$93,080 (65 percent) would be for the commercial use, and \$50,120 (35 percent) would be for the recreation use. If we assume that you wish to pay the 10 percent cost-over-time up front, the Federal and Non-Federal shares of the project costs would be:

<u>Project Purpose</u>	<u>Federal Costs</u>	<u>Non-Federal Costs</u>
Commercial 80/20%	\$74,500	\$18,600
Recreation 50/50%	<u>25,060</u>	<u>25,060</u>
Total	\$99,560	\$43,660

Your share of the cost is now about \$43,660, a significant increase over your estimated cost of \$28,600 in the detailed project report.

I sincerely regret having to inform you of the unfortunate news about the termination of the Fort Gaines Channel improvement. Let me assure you that we will assist you any way we can. If you need further information, please feel free to call me or Mr. Charles Owens, the Study Manager at 205/694-3874.

Sincerely,

W. D. McClure IV
Chief, Planning and
Environmental Division

Enclosure

JECW-PM

SUBJECT: Continuing Authorities Program FY 91 Execution
Memorandum - Effect of President's FY 92 Budget

will be undertaken on these studies other than those actions required to communicate with study sponsors in connection with the terminations and required to provide study sponsors with a status report on the work accomplished to date. These actions are to be completed by 28 February 1991. All unobligated balances as of 28 February 1991 are to be reported as available for revocation in the normal mid-year Continuing Authorities Program funding status and schedule update, due 1 April 1991.

*check in
the report
see 13*

d. For projects with cost shared feasibility studies completed or underway that are not now proceeding to construction as a result of this curtailment, non-Federal costs will be reimbursed to sponsors after enactment of the FY 92 appropriations act. You are to contact study sponsors for on-going cost shared studies to determine their interest in proceeding further this fiscal year, or concluding all work on the study now. All work on these studies may continue until the sponsor's intent has been determined. You are to advise, this office no later than 1 April 1991 regarding sponsor intent on these studies.

e. For studies which are currently under review by higher authority, the review will be completed and comments furnished to the district. However, activities in response to comments should not proceed at this time.

5. In your dealings with local and other interested parties, you should explain that these actions are being taken to concentrate limited Federal resources on problems that are more clearly beyond the ability of local interests to solve by themselves. My points of contact on this are Russ Rangos, (202) 272-0144, and Richard Smith. (202) 272-1976.

FOR THE COMMANDER:

Patrick J. Kelly
PATRICK J. KELLY
Major General, USA
Director of Civil Works

DISTRIBUTION:
(See Page 3)



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1006

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See note.

1 FEB 1991

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20 FEB 1991

CECW-PM

MEMORANDUM FOR ALL MAJOR SUBORDINATE COMMANDS, DISTRICT
COMMANDS

Action: P
CF: PM
CF: PM

SUBJECT: Continuing Authorities Program FY 91 Execution
Memorandum - Effect of President's FY 92 Budget

1. The President's Budget for Fiscal Year 1992 has severely curtailed Continuing Authorities Program activities in Fiscal Year 1992 and beyond. In order to be able to cover our commitments to undertake approved construction, we must make adjustments to our FY 91 program. Please follow these instructions in order to implement the FY 92 program.
2. Sections 205 and 1135 will continue uninterrupted into FY 92 and beyond. You should continue to execute these programs in a normal fashion with extra emphasis being placed on cost control. This is especially critical for Section 205, where FY 92 funding will be constrained when compared with total FY 91 funds available (new budget authority plus carryover), although FY 91 new budget authority is approximately the same as that in FY 92.
3. Section 14 is being phased out in an orderly manner. Current Section 14 activities may continue to their conclusion, either completion of construction or termination due to lack of justification or lack of local support. No new feasibility phase study starts will be initiated, effective immediately, other than those legislatively directed and funded in appropriation act language.
4. Sections 103, 107, 111, and 208.
 - a. Projects which are under construction, or have been approved for construction funding by the Assistant Secretary of the Army for Civil Works, or legislatively directed and funded in appropriation act language for construction, may proceed.
 - b. Any study proceeding under one of these authorities which was converted from a specifically authorized General Investigation study may proceed only with ASA(CW) approval on a case by case basis. Correspondence regarding these studies should be addressed to CECW-PC, PE, or PW as appropriate.
 - c. Continuing reconnaissance, non-cost shared feasibility, and plans and specifications efforts are considered terminated as of this date. No further activity

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Funding for Continuing Authorities Projects Not Requiring Specific Legislation is provided for all phases of flood control (Section 205) projects and the orderly phase-out of projects implemented under other authorities. During the phase-out process, the Corps will continue to completion projects currently under construction, projects which the Assistant Secretary of the Army (Civil Works) has previously approved for construction, and emergency streambank and shoreline protection (Section 14) projects where a feasibility study has been initiated, provided any resulting project meets Section 14 construction funding criteria.



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

15 FEB 1991

REPLY TO
ATTENTION OF:

Policy and Planning Division
Eastern Planning Management Branch

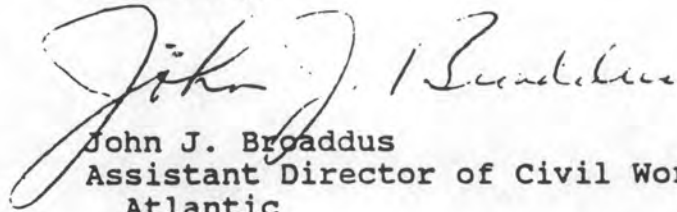
Honorable George J. Mitchell
United States Senator
231 Main Street
Biddeford, Maine 04055

Dear Senator Mitchell:

This is in further response to your letter of November 16, 1990, to Lieutenant General H. J. Hatch concerning approval of plans and specifications of the dredging of Perkins Cove, as brought to your attention by Mr. James McMahon, Town Manager of Ogunquit, Maine.

Plans and specifications have not yet been approved for initiation nor has construction of this project been approved. Normally, with the town of Ogunquit's acceptance of contractual obligations, we would be in a position to approve the initiation of plans and specifications. However, based on the Fiscal Year 1992 budget, all Continuing Authorities (except section 205) are being phased out in order to concentrate limited resources on solutions to problems that are more clearly beyond the capability of local entities to carry out themselves. An excerpt from the budget explaining the proposal is shown on the enclosure. On this basis, all section 107 projects not under construction nor approved for construction, including the dredging of Perkins Cove, are being terminated this month.

Sincerely,


John J. Broaddus
Assistant Director of Civil Works,
Atlantic

Enclosure