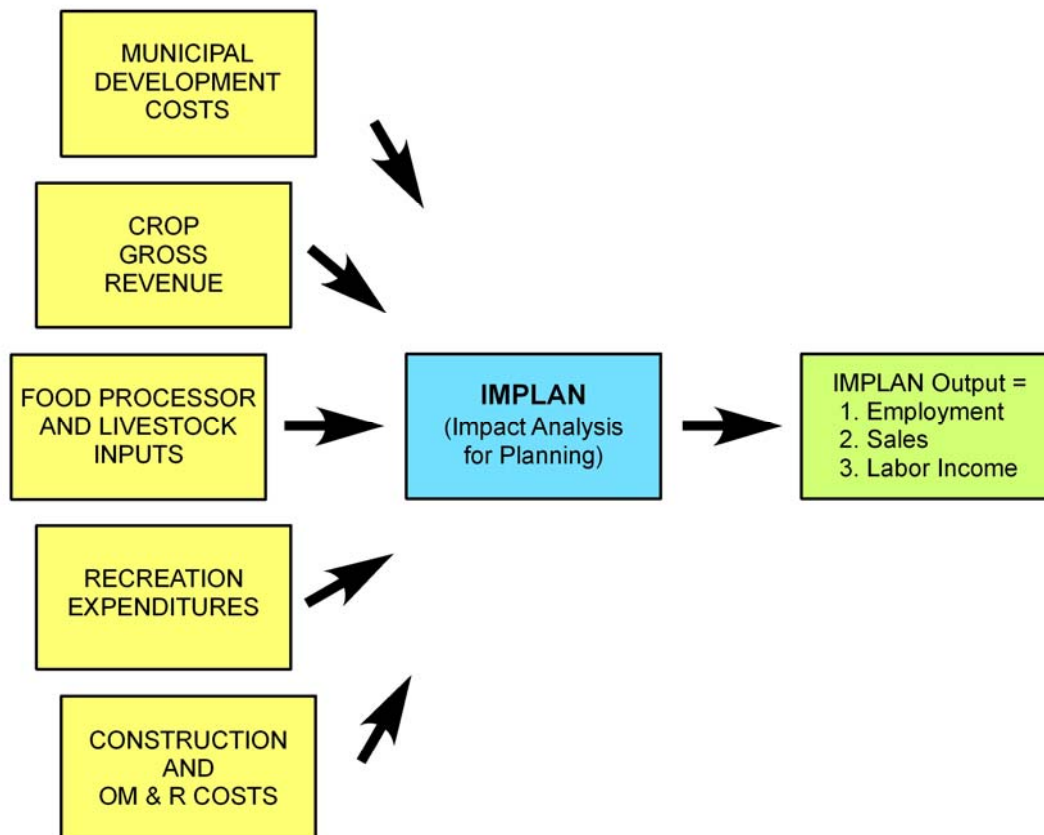


ODESSA SUBAREA SPECIAL STUDY Columbia Basin Project

REGIONAL ECONOMIC ANALYSIS for the EIS September 2008

The regional economic analysis for the environmental impact statement (EIS) will describe the current conditions within the study area (Adams, Franklin, Grant, and Lincoln Counties) and evaluate the effects on income and employment within the local economy that could be expected to occur with alternative implementation. The expected regional economic impacts in this study stem from changes in crop production revenues, agricultural inputs to food processing and livestock industries, recreation expenditures, construction and annual operations, maintenance, and replacement (OM&R) costs, and municipal development costs.



For more information about the Study, please contact Ellen Berggren, Study Manager, Bureau of Reclamation, 1150 North Curtis Road, Suite 100, Boise ID 83706; telephone, 208-378-5090; fax, 208-378-5102; email, StudyManager@pn.usbr.gov.



Economic and Environmental Principles and Guidelines for Water and Related Resources Implementation Studies (P&Gs)

Reclamation is authorized to continue development of the Columbia Basin Project as long as the development is economically and financially feasible. Reclamation traditionally determines economic feasibility through benefit-cost analysis and financial feasibility through payment capacity analyses. In other words, the benefits must exceed the costs and the beneficiaries must be willing and able to repay reimbursable construction costs and annual operations and maintenance costs. In the Odessa Subarea Special Study, Reclamation will use Principles and Guidelines (P&Gs) established for Federal water resources planning studies to conduct the benefit-cost analysis. The major steps of this process are:

1. Specify problems and opportunities associated with the Federal objective and State and local concerns.
2. Inventory, forecast, and analyze water and land conditions relevant to identified problems and opportunities.
3. Formulate Alternative Plans using criteria of completeness, effectiveness, efficiency, and acceptability.
4. Evaluate effects of Alternative Plans using four “accounts” that attempt to quantify information for comparison purposes.
 - NED (National Economic Development) – compares total benefits to total costs (Federal and non-Federal) by alternative. It is required in Federal analyses and focuses on impacts to the nation and considers changes in the economic value of the national output of goods and services of each alternative.
 - EQ (Environmental Quality) – displays nonmonetary effects on significant natural and cultural resources
 - RED (Regional Economic Development) – estimates both the positive and negative effects on the local economy that result from each alternative plan. Effects are measured as changes in regional economic activity (regional income and employment).
 - OSE (Other Social Effects) – displays effects of each alternative from perspectives that are relevant to the planning process, but are not reflected in the other three accounts.
5. Compare Alternative Plans using a “with project” and “without project” analysis.
6. In most cases, the plan selected is to be the alternative with the greatest net national economic benefit, consistent with protecting the environment.