

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance Letter No. 17, Formulation and Cost Sharing for Harbor Projects that Include Land Creation

1. References:

a. Section 101 of PL 99- 662, as amended by Section 13 of PL 100-676, Cost Sharing, Harbors.

b. Section 214 (4) of Pt 99-662, Definition, Harbor.

2. The NED Plan will be formulated using navigation benefits exclusively. (Land creation benefits will not be considered in the net benefit evaluation.) Special cost sharing will be required for land creation benefits associated with this NED Plan in proportion to the magnitude of these benefits to the total benefits.

3. Non-Federal sponsor requests for modification of the NED Plan formulated using navigation benefits may be allowed provided all additional implementation costs are non-Federal and the incremental navigation benefits equal or exceed the incremental O&M costs for the general navigation features (GNF). No additional special cost sharing will be required for the land creation benefits associated with the project modifications beyond the NED Plan which are requested and paid for by non-Federal interests.

4. The modified NED Plan may be recommended for authorization, implementation, and maintenance. The recommendation should, however, be worded so as to provide the authority to construct the project formulated for navigation only in the event the non-Federal sponsor later decides to forego the requested modification.

5. The cost sharing formula by which this policy is to be applied is as follows:

a. For the project formulated using navigation benefits exclusively:

(1) Assign LERRD to non-Federal interests. CECW-PA SUBJECT: Guidance Letter No. 17, Formulation and Cost Sharing for Harbor Projects that Include Land Creation

(2) Special non-Federal c/s equal to: Land Creation Benefits for this Plan (GNF Costs) Total Benefits for this Plan

(3) Remaining GNF costs shared in accordance with Section 101 of PL 99-662, as amended.

(4) Provide full credit for this plan's LERRD toward 10% requirement of Section IOI(a)(2).

(5) This computation establishes the maximum Federal share.

b. For the modified NED Plan requested by the non-Federal sponsor:

(1) The non-Federal share shall be the non-Federal costs determined in paragraph 5a above plus 100 percent of the difference between the NED Plan and the cost of the requested modified NED Plan; or all costs not assigned to the Federal Government under paragraph 5b(2) below, whichever is greater.

(2) The Federal share shall be the Federal costs determined in paragraph 5a above; or, when the modified NED Plan results in a cost for GNF that is less than the cost for GNF for the NED Plan, the Federal share of costs will be limited to the Federal percentage of the total GNF derived in paragraph 5a above times the cost of the GNF for the modified NED Plan.

FOR THE COMMANDER:

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Director of Civil Works