



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G STREET, NW
WASHINGTON, DC 20314-1000

CECW-P

12 June 11

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: U.S. Army Corps of Engineers Civil Works Planning Investigations Reclassification and Feasibility Reset Initiative

CDRS,

1. The purpose of this memorandum is to require all Major Subordinate Commanders (MSC) to conduct a proactive and aggressive review of all ongoing, protracted feasibility studies and to follow existing regulations related to Civil Works investigations reclassification. The goal of this initiative is to focus our limited resources upon studies with the highest probability of success.
2. As you are aware, many Civil Works feasibility studies are extending beyond the targeted 3-5 years to complete and consequently the prospects for a successful study that identifies a sound and credible Civil Works project recommendation for authorization are becoming more and more difficult. While the demands for solving water resources problems are growing much faster than the availability of financial resources to meet those needs, we must be continuously vigilant where funds are allotted. At the beginning of FY11, there was a total of approximately \$104M carryover in the Investigations account with \$55M of this on feasibility studies. In fact, over 170 feasibility studies had carryover greater than \$50K.
3. In response to these concerns, the Planning and Policy Division has begun a "Feasibility Reclassification and Reset initiative" (enclosure 1) to ensure that the Civil Works planning program remains current, efficient and focused on delivering relevant water resources recommendations to the Nation. The purpose of the "Feasibility Reset Initiative" is to review our planning program to assure that studies identify the most credible and viable projects for congressional authorization.
4. Each MSC Planning organization, in coordination with Programs and Project Management, shall review their ongoing planning studies and take actions to reclassify and reset, where applicable, the studies within their respective Civil Works General Investigations Program. In accordance with ER 1105-2-100, each MSC shall annually review their respective Civil Works planning program to reclassify studies as inactive when they no longer have a viable non-Federal sponsor, a low likelihood of Federal interest, or will not likely gain Administration clearance due to the absence of high priority outputs (aquatic ecosystem restoration, flood risk management, or navigation). Only those remaining active studies, should then be evaluated in accordance with the Reset Initiative, as outlined in enclosure 1. The term "Reset" shall mean a deliberate pause, to review study progress and scope, and make a determination as to whether the study should continue as is, be re-scoped, or terminated. The results of this initiative will be utilized during

CECW-P

SUBJECT: Civil Works Planning Investigations Study Reclassification and Reset Initiative

future budgeting activities for FY12 and the development of the FY13 budget and future budgets.

5. The USACE Headquarters Planning and Policy Division will immediately initiate a data call that will provide a spreadsheet including all feasibility studies and funding information available from P2 and clearly identify the additional information needed. MSC Planning Chiefs shall have the lead for the conduct of this data call, while Programs and Project Management shall assist with this action. The suspense for the reclassification of studies and the identification of those studies to be considered for "Reset" is 15 Aug 2011. All studies to be "Reset" will be reviewed and prioritized by the Chief, Planning and Policy and the most urgent studies will be engaged by the vertical planning team to be re-scoped or terminated, as appropriate, by 30 September 2011. Follow on efforts will continue into FY12 to complete Reset for all studies identified in the enclosure.

6. I appreciate your responsiveness and commitment to keeping the Civil Works Program focused on viable investigations and the delivery of quality projects.

FOR THE COMMANDER:



WILLIAM T. GRISOLI
Major General, USA
Deputy Commanding General
for Civil and Emergency Operations

Encl

DISTRIBUTION:

COMMANDERS:

Great Lakes and Ohio River Division, CELRD

Mississippi Valley Division, CEMVD

North Atlantic Division, CENAD

Northwestern Division, CENWD

Pacific Ocean Division, CEPOD

South Atlantic Division, CESAD

South Pacific Division, CESPDP

Southwestern Division, CESWD

FY11 Planning Modernization

Achieve Excellence in Planning Execution

Reclassification and Reset Preauthorization Studies

Introduction: For a variety of reasons, including insufficient and discontinuous study funding, non-Federal sponsor concerns, Planning capability and capacity, changing policy requirements, as well as new legislation (the 2-4 year benchmark requirement in WRDA 2007 (Section 2033)), many Civil Works pre-authorization studies are extending beyond the targeted 3-5 years to complete. Consequently, the original study assumptions and analyses may become outdated before the study is completed. The prospects for these protracted studies to identify a sound, quality, credible Civil Works project recommendation for authorization becomes more and more difficult. Additionally, the demands for water resources are growing much faster than the availability of financial resources to meet those needs.

A review of the ongoing pre-authorization studies is urgently needed to address and influence the future of the USACE Civil Works program. Improving FY 11 General Investigations execution is a key FY11 initiative and is the basis and start point for the broader Reset Initiative that is envisioned to examine the entirety of USACE feasibility studies from a broader perspective than execution (Figure 1).

Goal: The purpose of the “Reclassification and Reset” initiative is to develop a Civil Works Planning program that is current, efficient and focused on delivering relevant integrated water resources recommendations for the nation.

Process: The terms “Reclassification and Reset” are used in this context to mean a sequential process which includes a programmatic review of study progress and expected outcome(s). As necessary, this process will include study reclassification, study re-scoping, or refocusing the Corps, sponsor and stakeholder expectations in order to realign the Civil Works Planning Program portfolio with the Corps Campaign Plan Goal 2. The first step will be for the Corps to complete a review of all funded Feasibility Studies, either funded with appropriated funds or carryover funds, to reclassify studies as active or inactive, as appropriate. After this the Corps will review the scope of the active studies, and adjust if necessary, to align resources to complete the most viable studies for project authorization and to refocus Corps, budget, sponsor and Congressional expectations accordingly. The classification of studies and reports will be consistent with existing regulations (ER 1105-2-100, 4-3c(6) and Appendix G and ER 11-2-220).

Actions:

- 1. HQ Issue Reclassification Memo** – HQ will issue a memo to MSC Commanders with information that includes a list of studies to be reviewed in compliance with existing regulations (ER 1105-2-100, paragraph 4-3.c (6) and Appendix G and ER 11-2-220) by **15 July 2011**.

Pertinent excerpt from PGN:

ER 1105-2-100, section 4-3, c. General Requirements for Reconnaissance and Feasibility Phases.

(6) No Implementable Plan.

(a) The District Commander shall ensure that the sponsor is fully aware that the feasibility study may be terminated if there is no clear Federal interest in a project or if no project would meet the current policies or budget priorities. If the non-Federal sponsor wishes to continue the feasibility study under the terms of the FCSA, continuation will be considered on a case-by-case basis. In reaching this decision, consideration should be given to the value of the feasibility study in identifying project alternatives that reflect the sound planning principles set forth in the Principles and Guidelines. The sponsor shall also be made aware that, the feasibility study may be terminated by either party under the provisions of Article X "Termination of Suspension" of the FCSA.

(b) For those reconnaissance or feasibility studies where there is no potential for a Federally implementable plan, the District Commander will stop all work and notify the Division Commander to facilitate revocation of existing funds, adjustments in budget requests and possible study reclassification except as set forth below. Criteria for making the necessary determination are: (1) the plan is not in the Federal interest, based on current Army policies; (2) the plan does not meet technical requirements for selection as set forth in the P&G and elsewhere in this ER, or; (3) non-Federal interests either do not support the plan or do not intend to provide the necessary local cooperation. If based on these criteria, no Federal action is recommended, a final report to the Congress (usually a letter report) will be prepared, regardless of whether the study is terminated in the reconnaissance or feasibility phase.

ER 1105-2-100, Appendix G-3. Classification of Studies and Reports. In order to keep an accounting of the status of authorized studies and projects, they are classified into several categories as discussed below. a. Studies. Division commanders may approve classification of authorized studies according to the categories listed below.

(1) Active. These are authorized studies that are funded or authorized but not funded having significant non-Federal support and reasonable prospects for a Federal project.

(2) Inactive. These are authorized studies that are not funded and have no non-Federal support, or have few prospects for a Federal project.

2. Phase 1: MSC Commander Reclassification and Reset Response -- MSC PL Chiefs will engage MSC leadership and monitor progress of this initiative to complete reclassification of all studies and submit list of studies to be considered for Reset by **15 Aug 2011**.

- a) Perform reclassification and classify all studies as:
- active
 - inactive

- b) Reset Criteria for all pre-authorization studies (GI) that have been allocated funds for at least 10 years (not necessarily consecutively):
 - 1) Identify if there is current funding available on these studies (either in the FY11 Workplan, or prior FY Carry-In)
 - 2) Identify if study is included in FY12 President's Budget
 - 3) For studies that have either 1 or 2 above, the MSC will discern the general reason for the delay and evaluate whether a Reset should be conducted.

3. Phase 2: Reset Assessment - Once the studies identified to be "reset," are validated and prioritized by Chief Planning and Policy the MSC will set up a Reset meeting with the PDT, project non-Federal sponsor, and the full vertical team to review expected outcome of the project and determine if the study should:

- Continue
- Terminate
- Rescope

The Reset meeting will discuss study expectations, goals, schedule and likelihood of success and validate the current scope or re-scope study. If it is determined a study should be rescope, the MSC and team will conduct a follow up workshop with the full PDT, non-Federal sponsor and full vertical team to re-scope and develop a "reset plan" for the project. The Reset Plan is the path forward for the conduct of the study. The most urgent studies, as determined by the Chief, Planning and Policy, that meet the Reset criteria will be re-scoped by **30 Sept 2011**.

4. Phase 3: Reset Re-scoping for Studies funded for 8 or more -years - Repeat Phase 1.b. and Phase 2 for all pre-authorization studies (GI) that have been allocated funds between 8 and 10 years (not necessarily consecutively) by **30 Apr 2012**.

Program Oversight & Management: The Planning Advisory Board (PAB) will monitor the progress of this initiative by addressing status and required actions at each bimonthly PAB teleconference through the remainder of the FY.

Schedule:

- a) **11 Jul 2011** - Issue Reclassification memo
- b) **15 Aug 2011** - Complete Phase 1: MSC Commander Reclassification and Reset Response
- c) **30 Sep 2011** - Complete Phase 2: Reset Assessment, initiate Reset, and complete the Reset for high priority studies.
- d) **30 Apr 2012** - Complete Phase 3: Reset Re-scoping for Studies funded for 8-years

Figure 1.

