



REPLY TO
ATTENTION OF

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

CECW-P

MEMORANDUM FOR Director, Institute for Water Resources

SUBJECT: Regional Economic System (RECONS) – Model Certification

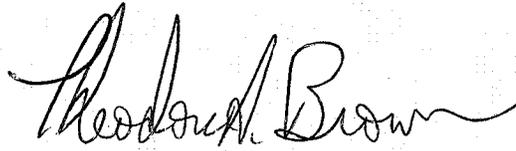
1. The Regional Economic System (RECONS) Program is a regional economic impact modeling tool developed by the U.S. Army Corps of Engineers to provide accurate and defensible estimates of regional economic impacts associated with Corps expenditures. This modeling tool automates calculations and generates estimates of jobs and other economic measures such as income and sales associated with USACE's spending for Corps Civil Works core missions. The RECONS incorporates impact area data, multipliers, direct ratios, and geographic capture rates that are extracted from IMPLAN models that were run for different projects.
2. RECONS has been designed with four primary purposes in mind: (1) to provide a more convenient way to conduct economic impact analyses including the effects of either increased and decreased expenditures by the USACE (e.g., Civil Works spending by projects, business lines); (2) to allow users to conduct valid and reliable economic impact analyses without having the knowledge of Input-Output (I-O) analysis required by IMPLAN or other full blown I-O models; (3) to enable users to estimate economic impacts at different geographic scopes (e.g., local, state, national) and to aggregate impacts across projects, districts and divisions; and (4) to increase rigor and consistency (e.g., spending profiles, identification of impact areas) in the manner in which economic impact analyses are conducted by the USACE.
3. Extensive technical and usability reviews of the RECONS model have been accomplished by an independent external review team. Training materials, a RECONS users manual and other documentation are available on the Institute for Water Resources (IWR) website. The RECONS model meets the certification criteria contained in EC 1105-2-412. This certification is based on the decision of the HQUSACE Model Certification Panel, and reflects version RECONS 1.0.
4. RECONS has been specifically tailored to provide a sound, practical tool for Corps Civil Works applications. In most cases, RECONS should be sufficient for Corps regional economic evaluations, and is the Corps' regional economic model of first choice. Analysts considering using I-O models other than RECONS should consult with their vertical team and IWR to reach agreement on the most appropriate approach prior to proceeding.
5. The Institute for Water Resources must monitor future developments to keep the model current with the state of the art, new datasets as appropriate, and must coordinate significant modifications that could affect this certification with HQUSACE. IWR must

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communicate with the Planning Centers of Expertise to ensure that project delivery teams are utilizing the most recent version of the model. This Memorandum will be distributed to the Planning Community of Practice (CoP) and posted on the the Planning CoP internet site. It must also be posted on the IWR internet site.

EXPIRES: 30 June 2019



THEODORE A. BROWN, P.E.
Chief, Planning and Policy Division
Directorate of Civil Works