



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
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WASHINGTON, D.C. 20314-1000

MAR 15 2007

CECW-PB

MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Policy Guidance on Authorization and Budget Evaluation Criteria for Aquatic Ecosystem Restoration Projects

1. References:

a. ASA(CW) Memorandum for the Director of Civil Works Subject: Aligning Authorization and Budget Evaluation Criteria for Aquatic Ecosystem Restoration Projects, dated 29 July 2005. (enclosed)

b. Planning Guidance Notebook, ER 1105-2-100

c. Corps of Engineers Civil Works Direct Program, Program Development Guidance Fiscal Year 2008, EC 11-2-187

2. We need additional efforts to ensure that our aquatic ecosystem restoration projects and programs are properly formulated and are consistent with budget objectives and ranking criteria reflected in the annual budget circulars.

3. The focus of the U.S. Army Corps of Engineers ecosystem program is aquatic ecosystem restoration. As stated in ER 1105-2-100 paragraph 3.5 b.(1), "Those restoration opportunities that are associated with wetlands, riparian and other floodplain and aquatic systems are most appropriate for Corps involvement." Projects which require hydro/geomorphic manipulation are most appropriate for the Corps to pursue. Such projects may include buffer areas of a size (such as 50-300 feet) supported by the specific project goals and recent scientific research. In a watershed based planning approach necessary terrestrial restoration work may be identified that should be pursued in partnership with other Federal, non-Federal, and stakeholder interests for implementation by others. Such terrestrial restoration may provide results critical for maximizing the potential of proposed aquatic restoration. While terrestrial restoration provides important ecological benefits, it is not a main line mission of the Corps of Engineers, and should primarily be undertaken by those with expertise and missions in restoring upland habitats. Only under very limited situations, may a case perhaps be made to support some terrestrial restoration as a cost-shared effort, and this must be directly and closely linked to the functioning of an aquatic ecosystem restoration measure. Any consideration for Corps participation in terrestrial restoration should be coordinated with the vertical team as early in the planning process as possible and must be clearly described in the planning

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documents. The option of recommending such activities as a locally preferred plan should always be considered for actions which are outside the Corps primary mission areas.

4. Aquatic ecosystem restoration projects must be formulated to address significant regional or national aquatic ecosystem problems in a cost effective manner. For aquatic ecosystem restoration projects, the benefits description should emphasize the national or regional significance of the project outputs based upon institutional, public and technical recognition; contributions to recognized plans; maintenance requirements; and, the number of acres or stream miles of habitat to be protected/restored, identifying existing habitat type/quality and proposed habitat type/quality. The ecological significance of the project, such as providing life requisites for special status species, scarcity, sustainability and/or providing connectivity, should be addressed. Other incidental project benefits such as flood damage reduction, water quality, recreation and education also should be described. These benefits should be discussed within a geographical setting consistent with the magnitude of demonstrable impacts. Since aquatic ecosystem restoration plans generally do not have a monetary benefit-cost-ratio, a cogent benefit justification statement must be included in the recommendations section of the decision document. This statement must provide complete, concise, and readable descriptions of the nature, quantity, quality and significance of the ecosystem outputs and how the expected ecological response varies with differing levels of potential investment.

5. To ensure that informed budgetary decisions are being made by the Administration to support projects that the Corps recommends for authorization, it is imperative that the budget objectives and ranking criteria included in the annual budget circulars be considered. These criteria will change through time but are based on the significance criteria articulated in ER 1105-2-100. The criteria used for preparation of the fiscal year 2008 budget are summarized in enclosure 2. These criteria are designed to aid in establishing budgetary priorities and should be used as a guide on issues that need to be addressed in the feasibility report.

6. Significant factors in project formulation, including performance criteria and project benefits, used to plan, design and justify Corps projects must be clearly detailed and presented in Section 905 (b) reports, feasibility reports, reports of the Chief of Engineers, the Report Summary and the District Commander's briefing. The proposed outputs must be clearly and consistently presented. There should be a concise and compelling rationale for the proposed expenditure of Federal funds to allow comparisons among multiple studies and projects. Decision documents must enable decision makers to understand the benefits of restoration plans so that they may select from among investments nationwide.

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7. If at any time you become aware of proposals that have the potential to be controversial or if you would like to coordinate any other concerns related to the development of an ecosystem restoration project, please contact your RIT to establish early vertical team involvement.

8. This guidance is effective immediately.

FOR THE COMMANDER:

Encl



DON T. RILEY
Major General, U.S. Army
Director of Civil Works

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Summary of Aquatic Ecosystem Restoration FY 2008 Budgetary Significance Criteria

- a. Scarcity = The scarcity of the habitat to be restored. This criterion is based on trend information and relative abundance of the habitat.
- b. Connectivity = This criterion addresses the extent to which a project facilitates the movement of native species by contributing to the connection of other important habitat pockets within the ecosystem, region, watershed or migration corridor
- c. Special Status Species = The projects ability to provide a significant contribution to some key life requisite of a special status species.
- d. Plan Recognition = This criterion recognizes Corps ecosystem restoration projects that contribute to watershed or basin plans as emphasized in the "Civil Works Strategic Plan".
- e. Self-Sustaining = While data used as a proxy for this criterion is only required during the PED and Construction phases the concept should be considered during plan formulation. The ideal goal of most restoration is a self-sustaining ecosystem consisting of natural processes.

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DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
CIVIL WORKS
108 ARMY PENTAGON
WASHINGTON DC 20310-0108

29 JUL 2005

MEMORANDUM FOR THE DIRECTOR OF CIVIL WORKS

SUBJECT: Aligning Authorization and Budget Evaluation Criteria for Aquatic Ecosystem Restoration Projects

I am providing this memorandum as a result of issues raised during review by my staff of a number of Corps ecosystem restoration reports and our mutual desire to see that these reports clearly establish the Civil Works Federal interest in the recommended plan. This requires us to align our ecosystem restoration projects with the program direction defined in the Civil Works Strategic Plan. Recommended plans must cost-effectively address significant regional or national aquatic ecosystem problems. Benefit evaluation parameters should be clearly detailed in all documents from the reconnaissance phase through the report of the Chief of Engineers with the goal of developing projects that would be eligible for budgeting by the Administration.

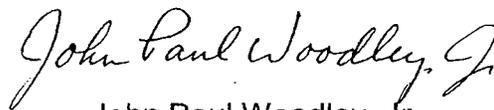
In the watershed based planning approach we are both advocating, we may often find that there is restoration work that should be pursued in partnership with other Federal, non-Federal, and stakeholder interests, for implementation by others. For example, terrestrial restoration, while having important ecological benefits, is not our main line mission and should primarily be undertaken by those with expertise and missions in restoring upland habitats. Under very limited situations, perhaps a case could be made to support some limited terrestrial restoration as a cost shared effort if it is directly and closely linked in decision documents to the functioning of an aquatic restoration measure. If the Corps is considering a unique or difficult determination as to Corps involvement in terrestrial restoration, my staff is available for vertical team involvement early in the study process. The option of recommending such activities as a locally preferred plan should always be considered for actions which are outside the Corps primary mission areas.

Aquatic ecosystem restoration projects compete with the other Corps primary mission areas for scarce resources; therefore, the significance of the proposed restoration and of the expected benefits must be clearly articulated in decision documents. Consistency across reports is needed in the way benefits are presented. Although the benefits of restoration projects are expressed primarily in non-monetary terms and are non-commensurable, it is important that decision documents enable decision makers to understand the benefits of restoration plans so that they may select from among investments nation-wide. Currently, the typical benefit descriptions contained in the project documents provide only cursory information regarding the nature, quantity, quality and significance of the proposed project benefits. Because restoration projects do not have a benefit cost ratio, it is especially important that a cogent benefit justification statement be presented so that all decision makers can

understand the benefits that support the Federal and non-Federal investments. The benefit description should emphasize the significance of the project outputs, based on institutional, public, and technical recognition. These criteria were the basis for the individual criterion in the budget circulars for fiscal years 2006 and 2007 which outline the data required to establish aquatic ecosystem significance based on scarcity, connectivity, special status species, maintenance requirements, and plan recognition. All of these factors should be taken into account and addressed as appropriate during the entire planning process.

Continuing questions from the Office of Management and Budget (OMB) and the authorizing Committees on the benefits and cost effectiveness of proposed investments for restoration projects dictate that these factors be clearly developed and presented in Section 905(b) reports, feasibility reports, and the reports of the Chief of Engineers. The Report Summary and the District Commander's Briefing required in the recently executed Engineering Circulars should also highlight these data. While all of these decision points are crucial to project development, vertical teaming would perhaps be most beneficial at the Section 905(b) stage for proposals that are likely to be controversial.

The anticipated result of these coordinated efforts should be more rapid concurrence on my part, authorization clearance by OMB, and budgetary support for construction. Together we can focus our aquatic ecosystem restoration efforts on the most critical nationally and regionally significant restoration issues and plan for projects that should have a reasonable expectation of budgetary support.



John Paul Woodley, Jr.
Assistant Secretary of the Army
(Civil Works)