



## Section 1001 of WRRDA 2014 – Vertical Integration and Acceleration of Studies

The following talking points are provided to help U.S. Army Corps of Engineers personnel at all levels respond to questions about the implementation of Section 1001 of the Water Resources Reform and Development Act of 2014.

*[Implementation Guidance for Section 1001](#) of WRRDA 2014 – Vertical Integration and Acceleration of Studies is available online.*

*The Planning Community Toolbox, [www.corpsplanning.us](http://www.corpsplanning.us), includes resources for non-Federal sponsors and USACE Project Delivery Teams (PDTs) beginning single phase feasibility studies post WRRDA 2014.*

### **Talking Points**

#### **Establishes USACE’s 3x3x3 Rule in Law**

- Section 1001 requires that, to the extent practicable, feasibility studies initiated after 10 June 2014:
  - Result in the completion of a final feasibility report not later than three years after date of initiation; and
  - Have a maximum Federal cost of \$3 million.
- USACE will continue to follow the 3x3x3 rule established by [Planning Bulletin 2014-01, Subject: Application and Compliance of SMART Planning and the 3x3x3 Rule](#), which limits study costs shared by the USACE and the non-Federal sponsor (including in-kind service credit) to \$3 million. Under 3x3x3, the Federal cost share limit is \$1.5 million.
- The Federally-funded cost for Independent External Peer Review (IEPR) is excluded from both the \$3M total study threshold and the calculation of the \$1.5M Federal cost share.
- USACE will count the three year study duration from the execution of Feasibility Cost Share Agreement (FCSA) to the date of the Signed Chief’s Report.
- Studies not completed within the approved time frames will no longer be authorized, and the study will be terminated.
- Study authorization is terminated if study is not completed within seven years.
- Project Delivery Teams (PDTs) are required to scope feasibility study efforts to develop a 3x3x3 compliant Project Management Plan (PMP) – or the justification for a 3x3 exemption request - by the Alternatives Milestone. The PMP will set out the study scope, costs, and schedule, including milestones, in accordance with the 3x3x3 rule.

#### **Exemption Process Reinforces One Size Does Not Fit All, Within Reason**

- If the total Federal study cost share is \$3 Million or less **and** Study duration not exceeding three years, the Deputy Commanding General - Civil and Emergency Operations ( DCG-CEO) may



approve a total Federal study cost up to \$3 million following current USACE procedures outlined in described in the [Planning Bulletin \(PB\) 2012-04, Subject: 3x3x3 Rule Exemption Process](#).

- By memorandum endorsed by the MSC Commander, the District Engineer request an exemption and inform the Senior Leaders Panel of the proposed path forward, in consultation with the non-Federal sponsor, to complete the study.
- The Senior Leaders Panel will provide its recommendation to the DCG-CEO.
- If the total Federal study cost share is more than \$3 Million **or** study duration more than three years, ASA(CW) approval is required. The recommendation of the Senior Leaders Panel will be provided to the DCG-CEO. If the DCG-CEO recommends approval of the increased study cost or extended study period, that recommendation will be submitted to the ASA(CW), who will determine whether to approve the cost increase and/or time extension.
- Exemptions will be based on documented rationale (e.g., in the Risk Register) and considered based on:
  - The type, size, location, scope, and overall cost of the project;
  - Whether the project will use any innovative design or construction techniques;
  - whether the project will require significant action by other Federal, State, or local agencies;
  - Whether there is significant public dispute as to the nature or effects of the project; and
  - Whether there is significant public dispute as to the economic or environmental costs or benefits of the project.
- The time it takes to consider the exemption request from the receipt of the District Engineer's request to the decision on the exemption request by the DCG-CEO or ASA(CW) will be excluded from the study time frame.

### **Transparency and Accountability**

- In first 90 days, teams will initiate processes for completing Federally mandated reviews, including environmental reviews, and meet with all Federal, tribal, and State agencies that have jurisdiction over the project.
- ASA(CW) approval of timeline extensions and Federal costs greater than \$3M, requires notification for Congressional authorizing committees. Notification will include the specific factors used to make the determination for the exemption.
- With information collected via the Regional Integration Teams (RITs), USACE will support ASA(CW)'s interim report to Congress (December 2015).



## **Frequently Asked Questions**

See the *Planning Community Toolbox*, [www.corpsplanning.us](http://www.corpsplanning.us), for more FAQs

### **What is 3x3x3?**

In an [8 February 2012 Memorandum](#), the Deputy Commanding General for Civil and Emergency Operations (DCG-CEO) stated that effective immediately all feasibility studies that have not reached the Feasibility Scoping Meeting (FSM) milestone will follow a 3x3x3 rule: be completed in no more than three years; cost not greater than \$3M; and require three levels of vertical coordination. The target length of the main report for feasibility studies will be 100 pages or less.

The \$3M threshold of the 3x3x3 Rule is the total feasibility study cost, including both the Federal and non-Federal sponsor share of the total cost.

The three year duration of the 3x3x3 Rule is from the signing of the Feasibility Cost Share Agreement through the signing of the Chief's Report.

Any study that exceeds the 3 years or \$3M total study cost will require justification and approval by the Deputy Commanding General for Civil and Emergency Operations (DCG-CEO). The 3x3x3 Rule Exemption Process is described in [Planning Bulletin 2012-04](#).

The 3x3x3 rule was incorporated into the Water Resources Reform & Redevelopment Act (WRRDA) of 2014, in [Section 1001, Vertical Integration and Acceleration of Studies](#).

### **Is the \$3M threshold of the 3x3 rule the total feasibility study cost or the Federal share?**

The \$3M threshold of the 3x3x3 Rule is the feasibility study cost share amount, including both the Federal and non-Federal sponsor share of the cost (including in-kind service credit). USACE's costs of the Federally-funded Independent External Peer Review (IEPR) panel are excluded from both the \$3M total study threshold and the calculation of the \$1.5M Federal cost share.

### **When does the 3 years begin? When does it end?**

The three-year completion deadline for feasibility studies is counted from the signing of the Feasibility Cost Share Agreement (FCSA), which initiates the feasibility phase, until the Chief of Engineers signs the Chief's Report.

### **How was the 3-year duration and \$3M threshold selected?**

The three-year timeframe is not arbitrary. The [Planning Guidance Notebook](#) (ER 1105-2-100) states typical studies should be completed in 18-36 months. In addition, Section 2033(c) of Water Resources Development Act of 2007 ([WRDA](#)) directs that the benchmark goal for a study be within 2 years or generally up to 4 years.

The \$3 million target reflects the principle that studies should be scaled commensurate with complexity.

The Corps does not take a one-size fits all approach for feasibility studies. Complex studies may require time and funds beyond three years and three million dollars to complete, and the exemption process



described in [Planning Bulletin 2012-04](#) exists specifically for these complex studies. These complex studies, lasting more than 3 years and costing more than \$3 million, are envisioned to be the exception rather than the rule.

### **How will exemptions to the 3 year / \$3 million constraints be considered and processed?**

[Planning Bulletin 2014-01](#), 3x3x3 Rule Exemption Process, explains the process for requesting an exemption from the 3x3x3 Rule. Requests will be submitted by the District Commander and endorsed to the Senior Leaders Panel by the MSC Commander.

A Senior Leaders Panel will consider the exemption request and make a recommendation to the Deputy Commanding General (Civil and Emergency Operations) (DCG-CEO). The DCG-CEO may approve increases in study funds up to \$3M Federal.

If the exemption request is for a total Federal study cost is more than \$3 Million **or** study duration more than three years, ASA(CW) approval is required. The recommendation of the Senior Leaders Panel will be provided to the DCG-CEO. If the DCG-CEO recommends approval of the increased study cost or extended study period, that recommendation will be submitted to the ASA(CW), who will determine whether to approve the cost increase and/or time extension.

### **Does the 3-year / study-duration clock “pause” during consideration of 3x3 Exemption requests?**

The time it takes to consider the 3x3 exemption request, beginning with the receipt of the District Engineer’s exemption request endorsed by the MSC Commander and ending with the decision by the DCG-CEO or ASA(CW) will be excluded from the study time frame.

### **What happens if a study is not completed within 3 years?**

A study that is not completed within three years – or not completed within the approved duration by ASA(CW) – is no longer authorized and the study will be terminated. No studies will be approved for a study duration beyond 7 years.

### **What is a Compliance Memorandum? Is it required for every study?**

All studies require a Compliance Memorandum indicating Vertical Alignment on the study’s scope.

Feasibility Studies (including studies leading to a Chief’s Report, General Re-evaluation Report, Limited Re-evaluation Report (Validation Study), or Director’s Report) should have a signed Compliance Memorandum by the Alternatives Milestone or an approved exemption – or exemption request underway - to the 3x3 Rule. For feasibility studies, the MSC Planning Chief’s Compliance Memorandum documents vertical alignment that the study scope and schedule demonstrates compliance with the 3x3 rule (completion within 3 years, \$3 million total study costs). (Ref: [Planning Bulletin 2014-01: Application and Compliance of SMART Planning and the 3x3x3 Rule](#); [Planning Bulletin 2015-01: Vertical Team Alignment in Study Scoping](#); [Planning Bulletin 2012-04: 3x3x3 Rule Exemption Process](#))

For Watershed Assessments, a Watershed Memorandum is required. The Watershed Memorandum is the MSC Planning Chief’s endorsement of vertical alignment on the Watershed Assessment’s proposed schedule, including scope and funding stream. (Ref: [Planning Bulletin 2014-01: Application and](#)



[Compliance of SMART Planning and the 3x3x3 Rule; Planning Bulletin 2015-01: Vertical Team Alignment in Study Scoping](#))

**Are Limited Reevaluation Reports and General Reevaluation Reports required to be 3x3x3 compliant?**

The constraints of the "3x3x3" rule - namely study completion within three years and a total cost of under \$3million - apply to all feasibility studies. This includes all planning studies proceeding to complete a planning document, including, but not limited to: Feasibility Report leading to a Chief's Report, Limited Reevaluation Report (Validation Study), General Reevaluation Report, and Director's Report. If the vertical team agrees upon a specific scope for the study that necessitates a cost and/or schedule beyond the \$3 million and/or 3 years is appropriate, then an exemption will be requested per reference [PB 2012-04](#).

**Are Watershed Studies and Continuing Authorities Program (CAP) studies required to be 3x3x3 compliant?**

The "3x3x3" rule - namely study completion within three years and a total cost of under \$3 million – does not apply to watershed assessment studies or Continuing Authorities Program (CAP) studies. Vertical alignment of the District, Division, and Headquarters, is required to the extent detailed under current guidance. Delegation of Continuing Authorities Program authorities to the MSC under [ER 1105-2-100, Appendix F](#), is consistent with the principles of vertical alignment.