



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 27, 2008

The Honorable John Paul Woodley, Jr.
Assistant Secretary of the Army (Civil Works)
108 Army Pentagon
Washington D.C. 20310-0108

Dear Mr. Woodley:

As required by Executive Order 12322, the Office of Management and Budget (OMB) has completed its review of the Army Corps of Engineers of your recommendation concerning the proposed flood damage reduction project located at May Branch, Fort Smith, Arkansas.

Our review concluded that your recommendation for the May Branch, Fort Smith project is consistent with the policies and programs of the President. We agree with your conclusions that while Reach 1 has an economic return below unity, it is not a separable element because it is hydrologically linked to Reaches 2 through 4. We also agree that Reaches 5 and 6 are beyond the limit of Federal participation and should be constructed at 100 percent non-Federal cost. The Office of Management and Budget does not object to you submitting this report to Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Mertens". The signature is fluid and cursive, with a large initial "R" and "M".

Richard A. Mertens
Deputy Associate Director
Energy, Science, and Water