



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

August 7, 2012

The Honorable Jo-Ellen Darcy  
Assistant Secretary of the Army (Civil Works)  
108 Army Pentagon  
Washington, DC 20310-0108

Dear Ms. Darcy:

As required by Executive Order 12322, the Office of Management and Budget has reviewed a March 2012 Army Corps of Engineers (Corps) feasibility study of the Jacksonville Harbor (Mile Point) Project, Duval County, Florida, with a first cost of \$36.0 million (October 2011 prices).

Based on an analysis of costs and benefits, the Corps estimated that the benefit-cost ratio for the project is 1.4 to 1 at a discount rate of four percent, which is the discount rate that the Corps is required to use for FY 2012 under section 80 of the Water Resources Development Act of 1974 to evaluate and formulate its proposed water resources projects. According to the Corps, the equivalent benefit-cost ratio is 0.85 to 1 at a seven percent discount rate. This is the discount rate that the Administration uses in the Budget to measure the performance of Corps construction projects whose primary purpose is to provide an economic return to the Nation.

The Office of Management and Budget does not object to your submitting this report to Congress. However, when you do so, please advise the Congress that, should the Congress authorize this project for construction, the project would need to compete with other proposed investments for funding in future budgets.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Shawcross".

Paul Shawcross  
Acting Deputy Associate Director  
Energy, Science, and Water