



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

JAN 13 2010

Honorable Nancy Pelosi
Speaker of the House
of Representatives
U.S. Capitol Building, Room H-232
Washington, D.C. 20515-0001

Dear Madam Speaker:

In final response to the authorizing legislation contained in the Department of Defense Appropriations Act of 2006 (Public Law (P.L.) 109-148), dated December 30, 2005, the Secretary of the Army recommends authorization of the Mississippi Coastal Improvements Program (MsCIP), Hancock, Harrison and Jackson Counties, Mississippi. The proposal is described in the report of the Chief of Engineers, dated September 15, 2009, which includes other pertinent reports and comments. The views of the Department of the Interior and the Environmental Protection Agency, as well as those of the State of Mississippi are set forth in the enclosed communications.

The Comprehensive Plan was developed using a multiple lines-of-defense approach which focused on reducing hurricane and storm damages through barrier islands restoration, beachfront protection, wetland restoration, and floodplain evacuation. In addition to a "no action" plan, numerous structural alternatives were evaluated including long linear levee systems of various heights and alignments with surge barriers across the inland bays. A wide range of non-structural alternatives were also considered. Because of the constraints imposed by P.L. 109-148 which limited the use of traditional water resources plan selection techniques, the Army Corps of Engineers did not select the recommended project elements based on traditional benefit-cost analysis or by examining net economic development benefits alone. Instead, the Corps evaluated each project element on the basis of its quantitative and qualitative contribution to the system of four accounts defined in the *Economic and Environmental Principles for Water and Related Land Resources Implementation Studies*. These four accounts include national economic development, environmental quality, regional economic development, and other social effects. On the basis of the assessments of the near-term project contributions to the 4 accounts, the Corps found each of the 12 project elements to be a cost-effective improvement in accordance with the directives of P.L. 109-148.

The recommended plan includes 12 elements for coastal Mississippi which are all consistent with the direction provided in P.L. 109-148 to aid recovery of coastal Mississippi that was severely damaged by the hurricanes of 2005. Each of the 12 elements is cost-effective, technically sound, and environmentally and socially acceptable. The recommended plan includes one structural and two non-structural



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Mr. Brown

hurricane and storm damage risk reduction elements; seven ecosystem restoration elements; and two coastal ecosystem restoration elements. Structural elements include restoring protective beach and dune systems, restoring native habitats, and raising an existing levee. Non-structural elements include removing structures from floodplains or raising structures that are highly vulnerable to storm damage. The recommended non-structural plan to remove over 2,000 tracts from the high hazard floodway is the largest non-structural plan ever to be recommended by the Corps of Engineers. Implementation of the 12 elements would provide approximately 30 miles of beach and dune restoration, floodproofing or acquisition of approximately 2,100 tracts within the 100-year floodplain, and the restoration of over 3,000 acres of coastal forest and wetlands that would provide additional storm surge reduction.

The recommended plan also includes a request for authorization of five additional studies. If authorized and implemented, the additional studies could provide further improvements in the coastal area of Mississippi. The additional recommended studies would address the longer term needs over the next 30 to 40 years. These studies would evaluate the restoration of over 30,000 acres of coastal forest, wetlands, beaches and dunes; sustainable restoration of the barrier islands; structural measures; and floodproofing or acquisition of over 58,000 tracts within the 100-year floodplain.

In accordance with Section 2034 of the Water Resources Development Act of 2007, an Independent External Peer Review (IEPR) was conducted under the direction of the Battelle Memorial Institute by an expert panel selected from a broad spectrum of engineering and scientific disciplines. The IEPR was completed during the normal study timeframe and it resulted in improvements to, and strengthening of the report's conclusions and recommendations. The report of the Chief of Engineers describes the IEPR process and the actions taken by the Corps to address the review comments. The Corps has posted the complete IEPR report and the written responses of the Chief of Engineers to the IEPR recommendations on the internet and provided both documents to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives. The IEPR report and the Corps' responses are an enclosure to the report of the Chief of Engineers.

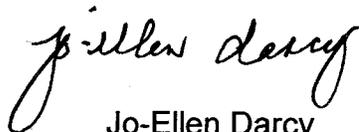
Based on the October 2009 price levels, the total first cost of the recommended plan is estimated at \$1,182,600,000. Of this total first cost, about \$437,500,000 is allocated to hurricane and storm damage risk reduction, about \$599,000,000 is allocated to ecosystem restoration, and about \$146,100,000 would fund the five additional studies. In accordance with provisions of the Water Resources Development Act (WRDA) of 1986, as amended, cost sharing for the ecosystem restoration features and the hurricane and storm damage risk reduction features, respectively will be 65 percent Federal and 35 percent non-Federal. Of the estimated \$1,036,500,000 first cost for construction items, \$673,700,000 would be Federal and \$362,800,000 would be non-Federal. The first cost of the recommended feasibility studies would be cost shared 50 percent Federal and 50 percent non-Federal. The State of Mississippi is legally capable of fulfilling the requirements for being the non-Federal sponsor.

One or more of the MsCIP Comprehensive Plan elements may be implemented pursuant to the Flood Control and Coastal Emergencies section of Title IV of the Supplemental Appropriations Act, 2009 (P.L. 111-32) which provided \$439,000,000 and directed the Secretary to use those funds for barrier island restoration and ecosystem restoration to restore historic levels of storm damage reduction to the Mississippi Gulf Coast. Construction of project elements implemented pursuant to this authority will be at full Federal expense. Operation, maintenance, repair, rehabilitation, and replacement required for such elements would be a non-Federal responsibility.

The recommendations in the Chief's report would work in concert with the 15 interim projects that were reported to the Congress in December 2006 and authorized in the Emergency Supplemental Appropriations Act of 2007 (P.L. 110-28). The implementation of these interim projects is the first step towards a comprehensive solution and will greatly assist with the recovery of coastal communities and natural resources and provide a significant boost to the overall recovery of the coast. The 15 previously authorized interim projects and the 12 elements recommended herein provide a fully integrated systems approach to partially addressing the hurricane damage in Mississippi from the storms of 2005, and were developed in concert with the ongoing Louisiana Coastal Protection and Restoration study. Furthermore, the activities of other Federal, state and local agencies that are responsible for public education, storm warning, evacuation planning, floodplain management, building codes and local zoning are integral components of efforts to reduce the hurricane risks associated with living in or visiting coastal Mississippi.

The Office of Management and Budget (OMB) advises that there is no objection to the submission of the report to Congress with the recommended 65 percent Federal and 35 percent non-Federal cost sharing for both the hurricane and storm damage risk reduction and the aquatic ecosystem restoration construction activities. A copy of its letter is enclosed. I am providing a copy of this transmittal and the OMB letter dated January 6, 2010 to the House Subcommittees on Energy and Water Development, and Water Resources and Environment.

Very truly yours,



Jo-Ellen Darcy
Assistant Secretary of the Army
(Civil Works)

Enclosures

7 Enclosures

1. Report of the Chief of Engineers w/IEPR Report and Responses, Sep 15, 2009
2. State of Mississippi Letter Aug 25, 2009
3. DOI Letter, Jul 30, 2009
4. EPA Letter, Jul 27, 2009
5. NEPA Record of Decision, Jan 13, 2010
6. OMB Letter, Jan 6, 2010
7. Mississippi Coastal Improvements Program (MsCIP) – Hancock, Harrison, and Jackson Counties, Mississippi - June 2009

CF: (w/o encl, except as noted)

CECW-I

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CECW-PC

CECW-SAD-RIT (James Dalton) (Please provide copies to CESAD and SAM)

CECW-MVD-RIT (TAB Brown) (Please provide copies to CEMVD)

SACW: File (Please file with enclosures 1 through 6)

Prepared: Joe Redican/CECW-MVD

Revised: McKevitt/SACW/Jan 8, 2010

J:\SHARED\PP&R Permanent\PROJECTS\MsCIP Final Report 2009\100111 MsCIP to Congress

Envelopes

House Committee on Appropriations
Subcommittee on Energy and Water Development
Room 2362-B Rayburn Office Building
Washington, D.C. 20515-6020

House Committee on Transportation and Infrastructure
Subcommittee on Water Resources and Environment
B-376 Rayburn House Office Building
Washington, DC 20515



DEPARTMENT OF THE ARMY
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WASHINGTON DC 20310-0108

JAN 13 2010

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President of the Senate
U.S. Capitol Building, Room S-212
Washington, D.C. 20510-0012

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