DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

CECW-PC (1105-2-10a) AUG 17 2012

SUBJECT: Savannah Harbor Expansion Project, Georgia and South Carolina

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on the Savannah Harbor Expansion Project, Georgia and South Carolina, which describes navigation improvements to the existing Savannah Harbor Navigation Project. It is accompanied by the report of the district and division engineers. The General Re-Evaluation Report and Final Environmental Impact Statement (GRR/FEIS) evaluate the advisability of increasing the channel depth, providing environmental mitigation to offset project impacts and making other improvements to Savannah Harbor in the interest of navigation and related purposes. Both the GRR and the FEIS are in response to Section 101(b)(9) of the Water Resources Development Act (WRDA) of 1999. This provision authorized construction substantially in accordance with a Chief's Report to be completed no later than December 31, 1999. The required Chief's Report was signed on October 21, 1999. Section 101(b)(9) also mandated that before the project could be carried out, the Secretary, in consultation with affected State and Federal agencies, formulate an analysis of the impacts of project depth alternatives ranging from -42 feet to -48 feet, along with a recommended plan for navigation and an associated mitigation plan, to be approved jointly with the Department of the Interior, the Department of Commerce and the Environmental Protection Agency (EPA). This report is submitted in fulfillment of these conditions, so that the project may be carried out in accordance with the WRDA 1999 authorization, subject to the requested statutory modification to increase the authorized total project cost, as described in paragraph 10 below.

2. The report recommends implementation of a project that will contribute to the economic efficiency of commercial navigation. Savannah Harbor is a deep draft navigation harbor located on the South Atlantic U.S. coast, 75 statute miles south of Charleston Harbor, South Carolina, and 120 miles north of Jacksonville Harbor, Florida. The Harbor comprises the lower 21.3 miles of the Savannah River (which, with certain of its tributaries, forms the boundary between Georgia and South Carolina along its entire length of 313 miles) and 11.4 miles of channel across the bar to the Atlantic Ocean. Improvements were considered from deep water in the ocean upstream to the area of the Garden City Terminal operated by the Georgia Ports Authority. The recommended plan will result in transportation cost savings by allowing the larger Post-Panamax vessels to operate more efficiently and experience fewer tidal and transit delays. The Georgia Department of Transportation is the non-Federal cost sharing sponsor.

3. The reporting officers recommend construction of a -47 foot Mean Lower Low Water (MLLW) depth alternative plan to modify the existing Savannah Harbor Navigation Project. The selected plan would require dredging and subsequent placement of 24 million cubic yards of new work sediments. Approximately 54% of this sediment would be deposited in existing upland

dredged material containment areas (DMCAs) and about 46% would be deposited in the US Environmental Protection Agency-approved Ocean Dredged Material Disposal Site (ODMDS) or an existing DMCA. The required Site Management and Monitoring Plan for the Savannah ODMDS must be completed and signed by the EPA and the Corps before the EPA can issue a concurrence for disposal of material from the SHEP into the Savannah ODMDS. Any portion of this material that does not meet the Ocean Dumping Criteria must be placed within an upland Confined Disposal Facility (CDF) that has sufficient capacity for the volume of proposed dredged material that does not meet the Ocean Dumping Criteria. The selected plan for navigation improvements consists primarily of the following:

a. Extending the existing entrance channel 7.1 miles from Stations -60+000B to -97+680B and deepening to -49 feet MLLW from the new ocean terminus to Station -14B+000B, then deepening to -47 feet MLLW from Station –14B+000B to Station 0+000 and, deepening the inner harbor to -47 feet MLLW from Station 0+000 to 103+000;

b. Widening bends on the entrance channel at one location (Stations -23+000B to -14+000B) and in the inner harbor channel at two locations; (Stations 27+700 to 31+500, and Stations 52+250 to 55+000);

c. Constructing two meeting areas (Stations 14+000 to 22+000 and Stations 55+000 to 59+000);

d. Deepening and enlarging the Kings Island Turning Basin to a width of 1,600-feet;

e. Restoring dredged material volumetric capacity in existing DMCAs; and

f. A mitigation plan which includes the features described below.

Other prior authorized features of the existing Savannah Harbor Navigation Project located beyond the limits described above in paragraph 3 would remain unchanged by the selected plan of improvement and would remain components of the Savannah Harbor Navigation Project.

4. The mitigation plan includes the following features:

a. Construction of a fish bypass around the New Savannah Bluff Lock and Dam in Augusta, Georgia. Construction of this feature would compensate for loss of shortnose and Atlantic sturgeon habitat in the estuary, by allowing the endangered shortnose sturgeon and the endangered Atlantic sturgeon access to historic spawning grounds at the Augusta Shoals that are currently inaccessible;

b. To minimize impacts to ecologically unique tidal freshwater wetlands in the estuary, construction of a series of flow re-routing features in the estuary to include a diversion structure, cut closures, removal of a tidegate structure, and construction of a rock sill and submerged sediment berm;

c. Acquisition and preservation of 2,245 acres of wetlands;

d. Restoration of approximately 28.75 acres of tidal brackish marsh;

e. Installation of an oxygen injection system, to compensate for adverse effects on dissolved oxygen levels in the Savannah River estuary;

f. Construction of a raw water storage impoundment for the City of Savannah's industrial and domestic water treatment facility, to offset increased chloride levels at the intake on Abercorn Creek during periods of low flow and high tide;

g. Construction of a boat ramp on Hutchinson Island to restore access to areas in Back River made inaccessible due to construction of the flow re-routing features;

h. One-time payment to Georgia Department of Natural Resources (GA DNR) for a Striped bass stocking program, to compensate for loss of Striped bass habitat;

i. Recover, document, and curate the items of historic significance of a Civil War ironclad (*CSS Georgia)*, listed on the National Register of Historic Places;

j. Monitoring to ensure that (1) the impacts described in the FEIS are not exceeded, and (2) the dissolved oxygen and wetland mitigation features function as intended. Monitoring will occur pre-construction, during construction, and up to 10 years post-construction; and

k. Adaptive management be implemented as outlined in the FEIS to (1) review the results of dissolved oxygen (DO) monitoring as well as the success of wetlands mitigation, and (2) modify features if necessary. In accordance with the FEIS, an Adaptive Management Team will be established, with the active participation of the cooperating agencies, for the purpose of effectively implementing the monitoring and adaptive management plan related to DO levels in the system and wetlands mitigation, and to ensure that the wetlands mitigation requirements and DO levels are met in the system.

5. The Project Cost Breakdown based on October 2011 Prices is estimated as follows:

a. Project First Cost. The estimated project first cost is $652,000,000, which includes the cost of constructing the General Navigation Features (GNFs) and the value of lands, easements, rights of-way and relocations estimated as follows: $257,000,000 for channel modification and dredged material placement; $311,000,000 for environmental and other mitigation; $84,000,000 for pre-engineering and design and construction management; and $163,000 for the value of lands, easements, rights-of-way, and relocations (except utility relocations) provided by the non-Federal sponsor. Included within the environmental mitigation costs is $35,600,000 for monitoring and $24,600,000 for adaptive management. To the extent appropriated by Congress, monitoring and adaptive management will be implemented as outlined in the FEIS, including the Corps commitments for the dissolved oxygen mitigation system and wetlands mitigation.

b. Estimated Federal and Non-Federal Shares. The estimated Federal and non-Federal shares of the project first cost are $454,000,000 and $198,000,000, respectively, as apportioned in accordance with the cost sharing provisions of Section 101(a)(1) of WRDA 1986, as amended (33 U.S.C. 2211(a)(1)), as follows:

(1) The costs for the deepening of the GNFs from -42 to -45 feet MLLW will be shared at the rate of 75 percent by the Government and 25 percent by the non-Federal sponsor. Accordingly, the Federal and non-Federal shares of the estimated $509,000,000 cost in this zone are estimated to be $383,000,000 and $126,000,000, respectively.

(2) The costs for the deepening of the GNFs from -45 to -47 feet MLLW will be shared at the rate of 50 percent by the Government and 50 percent by the non-Federal sponsor. Accordingly, the Federal and non-Federal shares of the estimated $143,000,000 cost in this zone are estimated to be $71,500,000 and $71,500,000, respectively.

(3) As a condition of issuance of the Section 401 Water Quality Certification by the South Carolina Department of Health and Environmental Control (DHEC), the potential non-Federal sponsor, the Georgia Ports Authority (GPA), agreed to provide financial assurance, in a manner acceptable to DHEC, that it will fund operation and maintenance of the Dissolved Oxygen system in any year that sufficient federal funds for the operation and maintenance of the system are not made available. This obligation extends for the life of the project. The GPA intends to place its full share of funds for adaptive management in an escrow account during project construction.

(4) The Savannah Harbor Expansion Project complies with Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations, dated February 11, 1994. By letter dated July 10, 2012, the GPA has indicated that it intends to establish, with the assistance of the EPA, a community advisory group that meets periodically to identify and address community concerns or recommendations that may arise associated with ongoing port activities. GPA will also facilitate sustainability by pursuing electrification of port infrastructure, reduced idling at distribution centers, and fleet upgrades under the SmartWay Port Drayage Truck program. In addition, in consultation with EPA Region 4 and the Georgia Environmental Protection Division, the GPA intends to conduct an air monitoring study not to exceed one year at no more than four monitoring sites, to evaluate any potential impacts on surrounding communities. This study would occur once the project is complete and GPA is serving Post-Panamax ships in normal operations. These efforts by the GPA are not included in the project costs. In cooperation with this effort, the Corps will provide technical assistance to the community to help explain scientific data or findings related to ongoing port activities and studies. The federal technical assistance is included in the estimated project costs.

c. In addition to payment by the non-Federal sponsor of its share of costs as estimated and addressed in sub-paragraphs b.(1) and (2), the estimated non-Federal share of $198,000,000 includes $163,000 for the estimated value of lands, easements, rights-of-way, and relocations

(except utility relocations) that it must provide pursuant to Section 101(a)(3) of WRDA 1986, as amended (33 U.S.C. 2211(a)(3)).

d. Additional 10 Percent Payment. In addition to the non-Federal sponsor's estimated share of the project first cost determined in b. above, pursuant to Section 101(a)(2) of WRDA 1986, as amended (33 U.S.C. 2211(a)(2)), the non-Federal sponsor must pay an additional 10 percent of the cost of the GNFs of the project in cash over a period not to exceed 30 years, with interest. The additional 10 percent payment is estimated to be $65,000,000 before interest is applied. The value of lands, easements, rights-of-way, and relocations, estimated at $163,000, provided by the non-Federal sponsor under Section 101(a)(3) of WRDA 1986, as amended (33 U.S.C. 2211(a)(3)), and the costs of utility relocations borne by the non-Federal sponsor under Section 101(a)(4) of WRDA 1986, as amended (33 U.S.C. 2211(a)(4)), will be credited toward payment of this amount.

e. Operation and Maintenance Costs. The additional annual cost of operation and maintenance for this recommended plan is estimated to be $5,100,000. In accordance with Section 101(b)(1) of WRDA 1986, as amended (33 U.S.C. 2211(b)(1)), the non-Federal sponsor will be responsible for an amount equal to 50 percent of the excess of the cost of the operation and maintenance of the project over the cost which would be incurred for operation and maintenance of the project if the project had a depth of -45 feet MLLW. The incremental increase in annual cost attributable to operation and maintenance for the depth in excess of -45 feet MLLW is $303,000 with the non-Federal sponsor responsible for $152,000. As specified in the 1999 Report of the Chief of Engineers, the costs of operation, maintenance, repair, replacement, and rehabilitation (OMRR&R) of the modified City of Savannah water system will remain a City of Savannah responsibility and will not be operated and maintained as a project General Navigation Feature. Similarly, the boat ramp on Hutchinson Island will be transferred to a local entity upon completion of construction. The local entity will be responsible for the OMRR&R. Lands acquired for wetland preservation would be transferred to the Savannah National Wildlife Refuge and the OMRR&R costs would be borne by the US Fish and Wildlife Service. The project will also make a one-time payment to the existing GA DNR Striped bass Stocking Program. This action has no associated OMRR&R costs. Other project mitigation features to address the adverse impacts of the project will be operated and maintained in the same manner as other GNF are operated and maintained.

f. Associated Costs. Estimated associated costs of $7,700,000 include $2,600,000 in non-Federal costs associated with development of local service facilities (including dredging of berthing areas); and $5,100,000 for navigation aids (a U.S. Coast Guard expense).

g. Authorized Project Cost and Section 902 Calculation. The project first cost, for the purposes of calculating the maximum cost of the project pursuant to Section 902 of WRDA 1986, as amended, includes the cost of constructing the GNFs and the value of lands, easements, and rights-of-way. Accordingly, as set forth in paragraph a, above, based on October 2011 prices, the estimated project first cost for these purposes is $652,000,000 with an estimated Federal share of $454,000,000 and an estimated non-Federal share of $198,000,000.

6. Based on October 2011 price levels, a 4-percent discount rate, and a 50-year period of analysis, the total equivalent average annual costs of the -47 foot depth project are estimated to be $38,900,000. The average annual equivalent benefits are estimated to be $213,100,000. The average annual net benefits are $174,200,000. The benefit-to-cost ratio for the recommended plan is 5.5:1.

7. Section 119 of the Energy and Water Development Appropriations (EWDA), 2003, Division D of Public Law 108-7, authorizes the Secretary of the Army, acting through the Chief of Engineers, to credit toward the non-Federal share of the cost of the Savannah Harbor Expansion Project, authorized by Section 101(b)(9) of WRDA 1999, an amount equal to the Federal share of the costs incurred by the non-Federal interests subsequent to project authorization to the extent that the Secretary determines such costs were necessary to ensure compliance with the conditions of the project authorization. Of the project total costs, an estimated $23,000,000 is included for the creditable work. The non-Federal sponsor will receive credit in accordance with cost sharing for Navigation projects as provided for in WRDA 1986.

8. Risk and Uncertainty. Uncertainties were evaluated for economic benefits, costs, environmental impacts, mitigation effect, and sea-level change. The economic sensitivity analysis concluded that a Jasper County terminal would not have a significant effect on the recommendation. In addition, sensitivities to commodity forecasts, vessel availability and loadings confirmed that the improvements to Savannah Harbor are economically beneficial. Consideration was given to uncertainties that exist in the ability to predict the impacts from the proposed harbor deepening alternatives. In accordance with the Corps Engineering Circular EC 1165-2-212 on sea level change, the study performed an analysis of three Sea Level Rise (SLR) rates. The baseline estimate representing the minimum expected sea level change is 0.5-feet. The intermediate estimate is 0.9-feet and the high estimate representing the maximum expected sea level change is 2.3-feet. No impact from sea-level rise uncertainty is expected regarding the dredging, because dredging depths are relative to the Mean Lower Low Water datum, which changes with sea level. Structural features also carry minimal risk from sea-level rise as they are designed to function over a wide range of stages. Sea-level rise has a minor risk of the project over-mitigating from chloride impacts. Other uncertainties, examined in regards to environmental mitigations (dissolved oxygen, biological response), showed little risk.

9. In accordance with the Corps Engineering Circular EC 1165-2-209 on review of decision documents, all technical, engineering and scientific work underwent an open, dynamic and vigorous review process to ensure technical quality. This included District Quality Control (DQC), Agency Technical Review (ATR), Policy and Legal Compliance Review, Cost Engineering Directory of Expertise (DX) Review and Certification, Model Review and Approval and Type I Independent External Peer Review (IEPR). Concerns expressed by the ATR team have been addressed and incorporated into the final report. The IEPR was completed by Battelle Memorial Institute. A total of 24 comments on the report and one comment on the responses to agency and public comments were documented. The IEPR panel considered eight of the comments of medium significance and the others as low significance. The comments were related to plan formulation, commodity forecasts, modeling, beneficial uses, impacts, risks and uncertainties, contingency, and sea-level rise. In response, sections in the main report and EIS

were expanded to include additional information. The final IEPR Report was completed in February 2011.

10. The project was authorized in Section 101(b)(9) of WRDA 1999 to be carried out at a total cost of $230,174,000. When escalated to October 2011 price levels in accordance with the procedure set out in ER 1105-2-100, Appendix G, implementing Section 902 of WRDA 1986, the authorized total project cost amounts to $469,000,000. The current estimated first cost of $652,000,000 exceeds that amount by more than 20 percent, necessitating a statutory modification to the project to increase its authorized total cost.

11. Washington level review indicates that the plan recommended by the reporting officers is technically sound, environmentally and socially acceptable, and on the basis of Congressional directives, economically justified. The plan complies with all essential elements of the U.S. Water Resources Council's Economic and Environmental Principles and Guidelines for Water and Land Related Resources Implementation Studies. The recommended plan complies with other administration and legislative policies and guidelines. The views of interested parties, including Federal, State and local agencies, have been considered. State and agency comments received during review of the final report/environmental assessment included concerns raised by the National Marine Fisheries Service, the United States Environmental Protection Agency and the Department of Interior which ranged from funding concerns, to the recent listing of the Atlantic sturgeon and the possible presence of hard bottoms in or near the project footprint to real estate transfer information. These concerns were addressed through coordination and USACE responses dated July 11, 2012. Comments were also received from state of Georgia which were generally in support of the project and recognized that earlier comments had been addressed in the final document. Two entities from the state of South Carolina provided comments expressing their preference for the -45 foot alternative and their concerns regarding the environmental effects. Reponses were provided re-iterating the considerations during the planning process and the extensive coordination that occurred regarding environmental effects and mitigation with the natural resource agencies. In compliance with Section 101(b)(9) of WRDA 1999, representatives of the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency approve the selected plan and have determined that the associated mitigation plan adequately addresses the potential environmental impacts of the project.

12. I concur with the findings, conclusions, and recommendations of the reporting officers. Accordingly, I recommend that the plan to improve navigation in the Savannah Harbor be authorized in accordance with the reporting officers' selected plan at an estimated cost of $652,000,000 with such modifications as in the discretion of the Chief of Engineers may be advisable. My recommendation is subject to cost sharing, financing, and other applicable requirements of Federal and State laws and policies, including WRDA 1986, as amended (33 U.S.C. 2211). The non-Federal sponsor would provide the non-Federal cost share and all lands, easements, and rights-of-way, including those necessary for the borrowing of material and the disposal of dredged or excavated material, and would perform or assure the performance of all relocations, including utility relocations. This recommendation is subject to the non-Federal sponsor's agreeing in a Project Partnership Agreement, prior to project implementation, to

comply with all applicable Federal laws and policies, including but not limited to the following requirements:

a. Provide, during construction, funds necessary to make its total contribution for commercial navigation, when added to the non-Federal contribution that may be afforded credit pursuant to Section 119 of the EWDA, 2003, equal to:

(1) 25 percent of the cost of construction of the GNFs attributable to dredging to a depth in excess of -20 feet MLLW but not in excess of -45 feet MLLW, plus

(2) 50 percent of the costs attributable to dredging to a depth over -45 feet MLLW;

b. Place the estimated non-Federal sponsor's share of the monitoring and adaptive management costs (paragraph 4, j and k) in an escrow account at the time the Project Partnership Agreement is executed.

c. Provide all lands, easements, and rights-of-way (LER), including those necessary for the borrowing of material and the disposal of dredged or excavated material, and perform or assure the performance of all relocations, including utility relocations, all as determined by the Federal Government to be necessary for the construction or operation and maintenance of the GNFs;

d. Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the project, an additional amount equal to 10 percent of the total cost of construction of the GNFs less the amount of credit afforded by the Government for the value of the LER and relocations, including utility relocations, provided by the non-Federal sponsor for the GNFs. If the amount of credit afforded by the Government for the value of the LER and relocations, including utility relocations, provided by the non-Federal sponsor equals or exceeds 10 percent of the total cost of construction of the GNFs, the non-Federal sponsor shall not be required to make any contribution under this paragraph, nor shall it be entitled to any refund for the value of the LER and relocations, including utility relocations, in excess of 10 percent of the total cost of construction of the GNFs;

e. Provide, operate, and maintain, at no cost to the Government, the local service facilities, in a manner compatible with the project's authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

f. In the case of project features greater than -45 feet MLLW in depth, provide 50 percent of the excess cost of operation and maintenance of the project over that cost which the Secretary determines would be incurred for operation and maintenance if the project had a depth of -45 feet MLLW;

g. Give the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the non-Federal sponsor owns or controls for access to the project for the purpose of completing, inspecting, operating and maintaining the GNFs;

h. Hold and save the United States free from all damages arising from the construction, operation and maintenance of the project, any betterments, and the local service facilities, except for damages due to the fault or negligence of the United States or its contractors;

i. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project, for a minimum of three years after completion of the accounting for which such books, records, documents, and other evidence are required, to the extent and in such detail as will properly reflect total cost of the project, and in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 CFR Section 33.20;

j. Perform, or ensure performance of, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, that may exist in, on, or under the LER that the Federal Government determines to be necessary for the construction or operation and maintenance of the GNFs. However, for lands that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigation unless the Federal Government provides the non-Federal sponsor with prior specific written direction, in which case the non-Federal sponsor shall perform such investigations in accordance with such written direction;

k. Assume complete financial responsibility, as between the Federal Government and the non-Federal sponsor, for all necessary cleanup and response costs of any hazardous substances regulated under CERCLA that are located in, on, or under the LER that the Federal Government determines to be necessary for the construction or operation and maintenance of the project;

l. To the maximum extent practicable, perform its obligations in a manner that will not cause liability to arise under CERCLA;

m. Comply with Section 221 of Public Law 91-611, Flood Control Act of 1970, as amended (42 U.S.C. 1962d-5b) and Section 101(e) of WRDA 1986, Public Law 99-662, as amended (33 U.S.C. 2211(e)) which provide that the Secretary of the Army shall not commence the construction of any water resources project or separable element thereof, until the non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element;

n. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655) and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights-of-way necessary for construction, operation, and maintenance of the project including those necessary for relocations, the borrowing of material, or the disposal of dredged or excavated material; and inform all affected persons of applicable benefits, policies, and procedures in connection with said act;

o. Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army"; and all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c));

p. Provide the non-Federal share of that portion of the costs of mitigation and data recovery activities associated with historic preservation, that are in excess of 1 percent of the total amount authorized to be appropriated for the project; and

q. Not use funds from other Federal programs, including any non-Federal contribution required as a matching share, therefore, to meet any of the non-Federal sponsor's obligations for the project unless the Federal agency providing the Federal portion of such funds verifies in writing such funds are authorized to be used to carry out the project.

13. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to Congress as a proposal for implementation funding. However, prior to transmittal to Congress, the sponsor, the State, interested Federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

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Commanding