

## MEMORANDUM FOR COMMANDERS, MAJOR SUBORDINATE COMMANDS

SUBJECT: Policy Guidance Letter (PGL) No. 51, Flood Control Cost Sharing

1. REFERENCES: ER 1105-2-100, Planning Guidance Notebook.
2. PURPOSE. This Policy Guidance Letter (PGL) sets forth U.S. Army Corps of Engineers policy regarding the cost sharing for the construction (implementation) of specifically authorized projects and section 205, section 208 and section 14 projects for flood control and provides implementation guidance for Section 202 (a) (1) of the Water Resources Development Act of 1996 (WRDA 96).
3. BACKGROUND. Section 103 (a) and 103 (b) of WRDA 86 established the non-Federal cost share for structural and nonstructural flood control projects. Section 103(a) of WRDA 86 required non-Federal interests to pay, in cash, 5 percent of the cost of the project assigned to structural flood control during construction and to provide all lands, easements, rights-of-way, dredged material disposal areas and relocations (LERRDs). The minimum cost share was established at 25 percent and the maximum cost share was established at 50 percent of the total project cost. Section 103 (b) of WRDA 86 required non-Federal interests to provide 25 percent of the cost of a nonstructural flood control project. The non-Federal interests were also required to provide LERRDs but were not required to provide the 5 percent cash contribution required for the project. The same cost sharing applied to continuing authorities projects implemented under sections 14, 205 and 208. Section 202 (a) (1) of WRDA 96 establishes new minimum cost sharing percentages for flood control projects.
4. POLICY. In accordance with Section 202 (a) (1) of WRDA 96, the minimum non-Federal cost share for structural flood control projects will be 35 percent. The maximum non-Federal cost share will continue to be 50 percent. The non-Federal cost share for nonstructural projects will also be 35 percent. All other non-Federal sponsor requirements for the implementation of both structural and nonstructural flood control projects remain the same. The increase in non-Federal cost share also applies to continuing authorities projects implemented under sections 14, 205 and 208. All project reports currently under preparation for projects to which the new cost sharing applies, as discussed below, must be based on the new cost sharing. These cost sharing percentages will apply to all flood control projects unless non-Federal interests qualify under the ability to pay provision, Section 103 (m) of WRDA 86 as amended by Section 202 (b) of WRDA 96.

5. APPLICABILITY. The cost sharing established in Section 202 (a) of WRDA 96 applies to all projects authorized after 12 October 1996. This cost sharing applies to new project authorizations as well as to the reauthorization of previously deauthorized projects. It does not apply to project reauthorizations which have not gone through the formal deauthorization process. Regarding project modifications, new cost sharing will not be required for project authorizations necessitated by increases in project costs in accordance with Section 902 of WRDA 86, i.e., the basic project has not changed. However, the increased cost sharing will apply to all projects where reevaluation studies have indicated a significant change in project scope or purpose has occurred necessitating the need for a new congressional authorization. The increased non-Federal cost share also applies to those section 205 projects whose Detailed Project Reports are approved after 12 October 1996 and to those section 14 and 208 projects which are approved for construction by the division commander after 12 October 1996 unless these projects have been specifically authorized in or prior to WRDA 96.

/s/

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