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U.S. Army Corps of Engineers
Headquarters
Southwestern Division RIT

FROM: ***Andrea Walker***
USACE-Southwestern Division
ATTN: CEMP-SWD
441 G Street, NW
Washington, DC 20314

Telephone: **(202) 761-5696**
Fax: **(202) 761-0824**

Internet Address: **andrea.e.walker@usace.army.mil**

DATE: 9/14/07

TO: Mr. Jim Wood **PHONE:** 479-229-4449

Arkansas Wildlife Federation **FAX:** 501-224-9214

RE: AR River Navigation Study, MKARNS Request for Correction

Number of pages including cover sheet: **10**

Message:

Mr. Wood: I am providing the US Army Corps of Engineers response to your Request for Correction to the MKARNS Feasibility Study and EIS, dated July 16, 2006. The hard copy of this response, with Exhibits, will be sent to you via US Postal Service.

This response complies with the milestone set in Secretary Woodley's letter to you, dated August 10, 2997.

Please let me know if I can be of further assistance in this matter.

Andrea Walker
HQUSACE
Southwestern Division, Regional Integration Team
Planning Program Manager

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
441 G ST. NW
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

SEP 14 2007

Southwestern Division
Regional Integration Team

Mr. Jim Wood, Chairman
Arkansas River Study Committee
Arkansas Wildlife Federation
56 Delaware Bay Road
Dardanelle, AR 72834

Dear Mr. Wood:

This letter is in response to your June 16, 2006 Information Quality Act (IQA) Petition regarding the McClellan-Kerr Arkansas River Navigation System (MKARNS) project. I apologize for the tardiness of this response. Please be assured that a dedicated team from all levels of the US Army Corps of Engineers (USACE) was consulted in developing this response.

Your June 16, 2006 petition (attached) challenges and requests correction of the USACE findings, accounting methodology, National Environmental Policy Act (NEPA) compliance, narrative conclusions and accuracy of data relied upon to develop the "McClellan-Kerr Arkansas River Navigation Study Final Environmental Impact Statement and McClellan-Kerr Arkansas River Navigation System Final Feasibility Report and Record of Decision Arkansas River Navigation Study McClellan-Kerr Arkansas River Navigation System Arkansas and Oklahoma and Record of Decision signed 27 September 2005 by MG Don Riley, Director of Civil Works." The items for which you requested corrective action through the IQA are discussed below.

Your petition includes a number of claims that appear to challenge the project itself, and primarily addresses procedural aspects of the project. The claims do not clearly and specifically identify data that are incorrect. Additionally it is not clear how you think the data used to develop the report is inaccurate and how you think it should be corrected. Nevertheless, we have attempted to identify specific data quality matters as well as to address your procedural questions here as a courtesy. We note that we have responded to some of these same queries within the context of prior correspondence with you on this topic. As discussed in the Office of Management and Budget's (OMB) government-wide information quality guidelines, the request for correction process is not designed to create duplicative and parallel processes.

In your first claim, you state that the USACE violated the "DQA 'objectivity' requirement" because it "cooked the NEPA process" to justify the authorized decision. You based this on your claim that the USACE reversed an earlier decision and combined "non-related studies into a single action" thereby violating NEPA.

The Arkansas River Navigation Study, Arkansas and Oklahoma, Feasibility Study and supporting Environmental Impact Statement (EIS) were authorized through a Resolution by the Committee on Public Works and Transportations of the United States House of Representatives, dated 11 March 1982, referred to as the Arkansas River Basin Authority. Additional language was included in Section 136 of the Energy and Water Development Appropriations Act of 2004, which authorized a project depth of 12 feet.

The goal of the study, conducted by the USACE Little Rock and Tulsa Districts (Districts) was to evaluate alternatives to address navigation conditions while improving flood control, hydropower, recreation, and fish and wildlife. The Feasibility study and EIS were developed to address the main objectives of navigation channel maintenance, flow management, and channel depth. Alternatives were developed that included an array of project features and components for each objective. Exhibit 1, attached to this response, provides a description and display of each alternative. While the 12 foot channel (Alternative E, which also included Channel Maintenance and Flow Management features) was ultimately recommended, that recommendation was based on a detailed analysis that strived to maximize net project benefits. Note that the Little Rock District also addressed your concerns regarding the impact of the language in the Appropriations Act on the planning process in the Little Rock District's 6 January 2004 response to your 3 December 2003 letter.

The Arkansas River Navigation Study, Arkansas and Oklahoma, Feasibility Study and supporting EIS was conducted in a manner which was objective and responsive to public input. Early in the process it was determined that the study would be conducted in separate phases: Phase I would examine how to reduce flooding and expand the navigation season in a balanced manner against the existing project purposes; and Phase II would investigate channel deepening and widening. Comments received from the public, including your organization, during the scoping process suggested that the two phases should be combined into one comprehensive study to capture cumulative impacts of both phases. The Project Delivery Team reviewed the suggestions and agreed that a single comprehensive study would better address the cumulative impacts of both phases. The determination that both phases and the existing channel maintenance into a single comprehensive study reflects the objectivity and transparency of the Corps process in developing the Feasibility Study and EIS.

Your second claim is that the Corps failed the IQA objectivity test by "shift[ing] step #6 of COE Planning Principles up to front of the Study", and "selecting only the pre study authorized 12' channel Plan/alternative at beginning of MKARNS studies".

As you indicated, the USACE Planning Process, as described in Engineering Regulation 1105-2-100, includes six steps: Problem Identification; Inventory and Forecast Conditions; Formulation of Alternatives; Evaluate Alternatives; Compare Alternatives; and Selecting a Plan. The Districts conducted the planning process for the study as follows:

> Problem Identification: The Feasibility report identified the current problems associated with flow management; channel depth and width; and channel maintenance.

Inventory and Forecast Conditions: Described the existing operations, features and conditions of the MKARNS system. Documented the future without project conditions to form a baseline for analysis of effects.

Formulation of Alternatives: The formulation of alternatives began by identifying features and components within each feature that met the planning objective of providing a safe, reliable, efficient, and sustainable navigation channel. Alternative formulation was started by identifying potential measures to achieve the study purpose and subjecting them to a screening process that resulted in the selection of viable components that make up the alternatives for detailed analysis.

Evaluate Alternatives: Preliminary analysis included various options (features and components) to address each objective of the study, which were then screened down to the viable alternatives. Alternatives were developed with structural and non-Structural measures to address the main objectives of navigation channel maintenance, flow management, and channel depth.

Compare Alternatives: Ultimately five alternatives were analyzed. These include the No Action (Alternative A - maintenance dredging and disposal in areas approved in the 1974 O&M Plan); Maintenance Only (Alternative B which equated to the No Action plus new disposal sites – this alternative was deemed the baseline for which all other alternatives were compared); Maintenance & Flow Management (Alternative C); Maintenance, Flow Management and a Channel Depth of 11 feet (Alternative D); and Maintenance, Flow Management and a Channel Depth of 12 feet (Alternative E).

Detailed information for these alternatives was developed to compare cost with the effectiveness to achieve the desired goals of the study. Analysis included a comparison of environmental effects and required actions to avoid, minimize, or mitigate for any potential adverse effects.

Selecting a Plan: The plan that reasonably maximizes net national economic benefits consistent with the study objective is identified as the NED plan. The analysis in the study documented that Alternative E produced the higher annual net benefits when compared to costs and was selected as the Recommended Plan.

The Districts evaluated each of the six steps in the Planning Process throughout the study, in the order required by Engineering Regulation 1105-2-100. While it is true that during the study, Congress enacted authorization language in 2004 for a 12' channel depth, that authorization did not alter the process of formulating and evaluating alternatives, the order of consideration, nor the results of the evaluation. This issue was also addressed in the USACE Directorate of Civil Works 8 March 2004 response to your 10 December 2003 letter.

Moreover, the Districts began the study of the Arkansas River, in 2000 to address the problems, needs and opportunities relating to channel maintenance, flow management and channel depth. The study was already underway when Congress authorized a channel depth to 12 feet.

Your third claim appears to raise three questions: the accuracy, reliability, and transparency of the USACE evaluation of costs and benefits based on the Districts statement that the Benefit-to-Cost Ratio is incalculable; the objectivity of the benefit cost analysis because it relies on undocumented assumptions that private port owners will dredge and deepen their facilities; and that the Corps failed to evaluate the No Action Alternative in order to establish an accurate baseline from which to measure other alternatives.

As an initial matter, the values used for calculating the costs and benefits of the alternatives were objectively developed. For example, the Districts utilized the SUPER model for its analysis of the flow regime. The SUPER model is a USACE model that is an industry standard tool, which considers period of record data, collected at the navigation operating facilities to model reservoir routing scenarios. Additionally, the economic analysis included forecasts of the shipping activities of the Navigation industry based on the Tennessee Valley Administration (TVA) barge costing model, which is also an industry standard tool. The TVA model was used for analysis of commodities and growth rates. In addition the Project Delivery Team compared its analysis against studies and analyses conducted on other Navigation waterways. For a complete explanation of the costs and benefits please review the Economics appendix to the Feasibility study.

Use of the term "incalculable" was meant to explain a mathematical conundrum of dividing substantial benefits by no cost for the Flow Management portion of the study. While the term may have confused some people, it is accurate. The Flow Management benefits can be accomplished at no cost, because benefits expected from adjusting the high and low water levels can be accomplished with minor operational changes. As a part of normal project operations District staff make adjustments to the water flow on a daily basis using an established water control curve. The change in flow management contemplated in the study would merely involve using a new water control curve and adjusting flow on a daily basis to the new curve. The same flow management cost and benefit values were used in the evaluation of all alternatives. For transparency, the study broke out the Flow Management portion of the benefit cost analysis for each of the alternatives to allow the reader to see exactly where costs and benefits were derived.

You raised a concern that the Districts' analysis relied on undocumented assumptions based on some port owners indicating that they were not going to deepen their ports which you further perceived to be included in determining the benefit and cost analysis. The Districts conducted a formal survey of Port owners through mailings and follow-up phone calls. The surveys were developed within the guidelines developed by the OMB for the collection of USACE planning data. Based on the feedback received, only the ports which indicated they would make modifications were included in the analysis. Those port operators who stated that they would not deepen their port facilities were not used to calculate deepening benefits. It is also important to note that the costs of deepening the ports, which are not a federal cost, were included as associated non-Federal costs in the benefit-cost calculations. A full description of the economic analysis conducted for the study can be found in Appendix B of the Feasibility study.

The original No Action Alternative, Alternative A, was determined to not be a viable option, because it lacked dredged material disposal capacity for the existing , no action, channel

maintenance activities. Alternative B was developed, with sufficient dredged material disposal capacity, as the baseline alternative from which to compare and measure the other alternatives. Alternative B, as such, is the only feasible no action alternative. Alternative B carries out the channel maintenance and dredging activities described in the 1974 Operations and maintenance Plan in existing and new disposal sites.

Comparison of the remaining alternatives to Alternative B, was conducted in a transparent and reproducible manner. Alternative C included channel maintenance and the flow management components. That alternative only included an operational change beyond Alternative B. That operational change would allow the system to be used more efficiently through manipulating the flows of the MKARNS to maximize the amount of days that the navigation industry can operate, which derive the majority of the benefits claimed. There were no construction or implementation costs, only operational activities which would be incurred as part of the normal Operations and Maintenance budget.

Alternatives D and E included the channel maintenance and flow management components and added a channel depth component. Alternative D was the 11 foot channel depth and Alternative E was channel depth to 12 feet. The cost benefit analysis was presented in displays (see Exhibits 2 and 3, attached) that broke out the costs and benefits for each component of the study. The cost benefit analysis for each component was shown separately to improve transparency and reproducibility, and to better show where the costs and benefits came from and how they compared to Alternative B.

Your fourth claim indicated that charging $700 for a paper copy limited access to the documents, and was not in accordance with NEPA Public Involvement requirements and "fail[ed] DAQ accuracy of dissemination information test".

We acknowledge that printing cost are very high, and that we had a limited budget restricting the number of printed copies. That is why we offered free copies of the Feasibility Study and EIS on CD's as well as making them available free of charge on the Little Rock District's Internet site. We also made printed copies available at twenty-four area libraries. Additional rationale was provided to you in the Little Rock District's email response, dated 13 October 2005.

Your fifth and last claim questions the transparency and completeness of the mitigation plan contained in the Draft EIS and Feasibility Study.

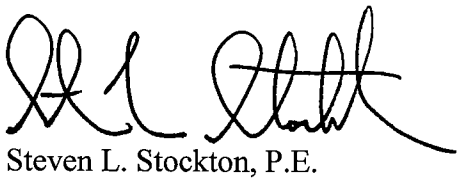
The aquatic mitigation plan is designed to avoid, minimize, or restore the environmental impacts of the project. The plan was designed in coordination with the USFWS, the Arkansas Game and Fish Commission, and the Oklahoma Department of Wildlife and Conservation. There were also a variety of venues for public input. Indeed, the aquatic mitigation plan was not finalized when the Draft Feasibility study and EIS were released for public review. However, two additional public meetings were held during the public review period and prior to distribution of the Final report, to discuss the aquatic mitigation plan. The finalized aquatic mitigation plan was included in the documents when they were submitted for final review in August 2005.

The aquatic mitigation plan explicitly acknowledges the uncertainty and variability associated with water resource planning. For that reason, although the mitigation plan identifies actions required in the face of expected adverse impacts, it is expected that the mitigation plan will develop over time in response to unanticipated effects. Furthermore, an important component of the aquatic mitigation plan is monitoring and adaptive management. Adaptive management is an accepted technique for ecosystem restoration activities that promotes flexible decision making, and allows for adjustment as new information becomes available, to better achieve the desired mitigation goals and ensure success. As part of the Adaptive Management plan, a Committee has been developed to review the implementation of the project. The public is welcome to observe and comment on the process.

I have reviewed your requests for correction and have not identified any information in need of correction in the questioned documents: "McClellan-Kerr Arkansas River Navigation Study Final Environmental Impact Statement and McClellan-Kerr Arkansas River Navigation System Final Feasibility Report and Record of Decision Arkansas River Navigation Study McClellan-Kerr Arkansas River Navigation System Arkansas and Oklahoma and Record of Decision signed September 27, 2005 by MG Don Riley, Director of Civil Works.

You have the right to appeal to the Department of the Army Chief Information Officer (CIO) if you disagree with this determination. Your appeal must be in writing and filed within 30 working days of notification of this determination. The appeal should be sent to Mr. Wilbert Berrios, CIO, U.S. Army Corps of Engineers, 441 G Street, N.W. Washington, D.C., 20314-1000, for review and forwarding to the Department of the Army CIO. The Army CIO will advise you directly of his appeal decision.

Sincerely,



Steven L. Stockton, P.E.
Deputy Director of Civil Works

Enclosures