

June 4, 2008

U.S. Army Corps of Engineers  
Attn: P&G Revision, CECW-ZA  
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## **PNWA Comments on Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies**

Thank you for providing the opportunity to comment on the proposed revision of the Principles and Guidelines (P&Gs). Our comments are being submitted on behalf of the PNWA membership. PNWA represents Corps partners in and beneficiaries of water and land resources development. Our members include port authorities, towboat companies, steamship operators, shippers of cargo, agricultural producers, forest products manufacturers and other economic development interests in Washington, Oregon, Idaho and northern California. A listing of our member organizations is attached to this document.

We have several concerns that we urge the Corps to address prior to finalizing the revision. Comments are presented in the order in which the issue appears in the draft document.

### **National Objectives**

The national objectives need to recognize that a strong national economy is dependent upon strong regional and local economies. Contributions to regional economic development also contribute to national economic development.

### **Peer Review**

The draft states, "All USACE planning activities will include agency review panels of independent experts." This goes well beyond the direction provided by Congress in WRDA 2007. They direct peer review be undertaken for large or controversial projects and set up specific criteria for determining when peer review is required. The P&Gs should follow the direction of Congress. Peer review will increase costs, uncertainty, and the time necessary to complete project studies. Additional costs and delays are not in the national interest, unless the project fits within the parameters set by Congress.

Peer review can be a time consuming process. It is important that peer review not slow down or otherwise hinder the completion of worthy projects. With that in mind, we urge the Corps to include guidelines for peer review in the final P&Gs. When required, peer review must be included early in the planning process. The worst case scenario would be to add peer review at the very end of the process. That would create the potential that the results of the review would challenge key assumptions, procedures or analyses that occurred early in the process, forcing the project to be restarted from the beginning.

### **Alternative Plans**

We do not object to including analysis of non-structural alternatives. However, non-structural alternatives must be analyzed not just for the potential cost of implementing the alternative, but also for the potential decrease in economic activity and the resulting diminution of the authorized purpose that would result from the additional cost. Using the congestion pricing example from the draft revision, the analysis needs to include more than just the amount by which the fee increases the overall transportation cost. It also needs to include an analysis of the effects of those cost increases, including, but not limited to, the potential that a producer can no longer afford to serve a market and ceases production.

The draft also states, “alternative plans are not to be limited to only those the USACE may implement under its current mission priorities. The formulation of plans should consider including plans or elements of plans that may be under the purview of other Federal or non-Federal agencies, or other entities.” Again, we do not object to this provision. However, it does require limitations. Alternative plans should be limited to actions for which some Federal or non-Federal agency has authority. In other words, plans should not include alternatives for which no Federal or non-Federal agency has authority. Without such limitation, the cost and time required to complete that analysis could increase significantly even though there is little or no chance that the alternative will be selected or implemented.

### **Alternative Plans and Plan Selection**

The Accounts section requires that information be organized and analyzed for five accounts, including a regional economic development (RED) account. However, RED is not included in the Required Alternative Plans nor is it included in Plan Selection. It is in the national interest to ensure that regional economies remain strong and grow. When considering navigation, for example, “local”, “regional” and “national” ports and waterways all work in harmony to create a national system.

The P&Gs do not address specific measures to use in the development of national economic development (NED) plans and RED plans. Past practices by the Corps have included the weight and dollar value of cargo handled at ports and transiting locks. Coastal ports handle a very important cargo that is currently not captured in the NED or RED analysis. Fish landings provide for significant economic activity at coastal ports and harbors. That activity needs to be included in the Corps’ quantitative analysis. Data on fish landings is collected; it is available; and the Corps should make use of it as it analyzes projects for their economic benefits.

### **Net Beneficial Effects Rule**

The Corps needs to develop a mechanism by which it can attach a quantitative measure or surrogate measure to the public safety and environmental quality components of its plans to assist in the plan selection process. For example, maintenance, repair and, eventually, rehabilitation of locks on the Columbia Snake River System will provide both national economic development benefits and environmental quality benefits. The navigation locks provide economic benefits to the shippers of cargo. They also provide environmental benefits, as the barging of salmon smolt is a critical component of the Endangered Species Act Biological Opinion for salmon recovery. In the authorization and subsequent funding processes, the economic benefits can be easily quantified. However, the environmental benefits are merely an asterisk on the spreadsheet. The project priorities are set by the economic benefit-cost ratio, and not by the combined economic and environmental benefits. This needs to change and the P&Gs should be revised to provide direction on how to incorporate quantitative or surrogate measures in setting priorities.

We urge the Corps to address this issue by developing a mechanism for establishing a quantitative measure or surrogate measure for environmental benefits that can be included in the prioritization

process both for plan selection and subsequent funding. PNWA would be happy to work with Corps staff to develop appropriate measures.

PNWA and its members are available to work with the Corps in addressing any of the comments presented here. Please let me know if you have any questions or if we can be of service to you as you prepare a final document.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Vanselow". The signature is fluid and cursive, with the first name "Glenn" being more prominent.

Glenn Vanselow  
Executive Director



## PNWA Member Directory

Alaska Assoc. of Port Managers & Harbormasters  
Anderson-Perry & Associates, Inc.  
Ball Janik LLP  
Bell Buoy Crab Co.  
Benton County PUD #1  
BST Associates  
Central Washington Grain Growers, Inc.  
CH2M Hill  
Clark Public Utilities  
Columbia Basin Development League  
Columbia County Grain Growers, Inc.  
Columbia River Bar Pilots  
Columbia River Pilots  
Columbia River Steamship Operators Assoc.  
Cowlitz County Board of Commissioners  
David B. Barrows Environmental Consulting  
Dutra Group  
East Columbia Basin Irrigation District  
Foss Maritime Company  
Office of Peter Friedmann  
Gallatin Group  
Gordon Thomas Honeywell Gov't. Affairs  
Great Lakes Dredge & Dock  
Harris Group Inc.  
ID Wheat Commission  
Jan T. Fancher, CPA, PLLC  
Jefferson Government Relations  
Kalama Export Company  
K&L Gates  
Kleinfelder, Inc.  
KPF Engineers  
Lampson International, LLC  
Lewis-Clark Terminal Association  
Longview Fibre Company  
Manson Construction  
McGregor Company  
Moffatt & Nichol  
Northwest Grain Growers, Inc.  
Northern Star Natural Gas  
OR Economic & Community  
Development Department (OECDD)  
Oregon Int'l Port of Coos Bay  
OR Wheat Growers League  
Pacific International Engineering (PIE)  
PB Ports & Marine, Inc.  
PNGC Power  
Pomeroy Grain Growers  
Port of Anacortes  
Port of Benton  
Port of Camas-Washougal  
Port of Cascade Locks  
Port of Chelan County  
Port of Chinook  
Port of Clarkston

Port of Columbia  
Port of Garibaldi  
Port of Hood River  
Port of Humboldt Bay  
Port of Ilwaco  
Port of Kalama  
Port of Kennewick  
Port of Klickitat  
Port of Lewiston  
Port of Longview  
Port of Mattawa  
Port of Morrow  
Port of Newport  
Port of Pasco  
Port of Port Angeles  
Port of Portland  
Port of Ridgefield  
Port of Royal Slope  
Port of Seattle  
Port of Siuslaw  
Port of Skagit County  
Port of St. Helens  
Port of Sunnyside  
Port of Tacoma  
Port of Toledo  
Port of Umatilla  
Port of Umpqua  
Port of Vancouver  
Port of Walla Walla  
Port of Whitman County  
Port of Woodland  
Potlatch Corporation  
Presnell, Gage & Company  
The Research Group  
RETEC Group  
Schwabe, Williamson & Wyatt  
Seattle Public Utilities  
Shaver Transportation Company  
Stoel Rives LLP  
Teevin Brothers  
Tidewater Barge Lines  
Ukiah Engineering Inc. (UEI)  
USA Dry Pea & Lentil Council  
WA Association of Wheat Growers  
WA Public Ports Association  
WA State Office of Trade and Economic  
Development (CTED)  
WA State Potato Commission  
WA Wheat Commission  
Weyerhaeuser Company  
Whitman County Growers

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