

10 May 2006

SUBJECT: UMRS NESP – Reevaluation
TO: NECC/ECC Members

- 1) As you know by now the Corps has been directed (by Assistant Secretary of the Army for Civil Works Woodley) to complete an interim report on the reevaluation of the economic feasibility of the navigation improvements recommended in the Chief of Engineers report. The schedule for completion of this interim report is 30 September 2007. The following paragraphs provide some introductory information regarding the scope of the interim report effort and external peer review for your consideration in preparation for discussion at the NECC/ECC meeting next week.
- 2) The “Navigation Science Panel” called out in the email message from COL Gapinski to NECC/ECC (dated 13 Apr 07) will be structured to serve as an external peer review panel that has more independence from the Corps than the Ecosystem Science Panel and will provide technical advice through a review and comment process. In addition, the Corps will contract for specialized expertise from external sources to supplement work by the in-house project delivery team.

Background:

- 3) The Corps recently implemented “external peer review”, the requirements of which are defined in Engineering Circular – EC 1105-2-408, Peer Review of Decision Documents. The following bullets summarize those requirements:
 - a) EC applies to decision documents that require authorization by the U.S. Congress.
 - b) EC applies to scientific information and assessment ... i.e. peer review is focused on technical methodology, data, assumptions, input, etc.
 - c) Policy matters are beyond the scope of peer review.
 - d) Peer review is in addition to Independent Technical Review (i.e. ITR – review performed by a Corps office which has not worked on the study) and policy review.
 - e) Purpose of peer review – conducted to identify, explain, and comment upon assumptions that underlie economic, engineering, and environmental analyses, as well as evaluate the soundness of models and planning methods. Panels may also evaluate whether interpretations of analysis and conclusions based on analysis are reasonable. Panels should be instructed **not** to make a recommendation on whether a particular alternative should be implemented. Panels may offer opinions as to whether there are sufficient analyses upon which to base a recommendation for construction, authorization, or funding.
 - f) Level of independence of panel members increases with project magnitude and risk.
 - g) Peer review should be conducted so as not to cause delays in study completion.
 - h) District responsible for study prepares a Peer Review Plan in coordination with the Navigation Planning Center of Expertise (PCX). The PCX is responsible for accomplishment and quality of ITR and External Peer Review (EPR).

- i) In exceptional cases involving high risk and uncertainty, etc. the Chief of Engineers may direct a PCX to contract both the management and accomplishment of EPR to an outside entity such as the National Academy of Sciences.
- j) PCX shall bar participation of Corps scientists on peer review panels ... although exceptions can be granted.

Following is a recommendation for Peer Review, which will need to be coordinated with the Corps' Navigation Planning Center of Expertise (PCX):

- 4) Assemble a small, responsive external peer review panel, to provide quick turn around response to different products produced by the project delivery team during development of the interim report. This panel would be assembled by the Corps (MVP-MVR-MVS) in collaboration with its partners and approved by the PCX.
 - a) **Membership:** About 5 members with experience and skills among them that are appropriate for review of the items in paragraphs 5, 6 and 7. The Corps will develop selection criteria, solicit for candidates, and select members for the panel that singularly and collectively best meet the selection criteria. The process will be done expeditiously while being as open for review as possible.
 - b) **Focus:** National and regional economic evaluation.
 - c) **Primary products for review:** Project Management Plan; application of NETS products to UMRS; complementary investigations and formulation of alternative future scenarios – see paragraph 6; risk and uncertainty; PDT analysis and evaluation related to NED and RED.
 - d) **Process:** Although called a panel, it will really be a group of individuals who make independent assessments. Members will meet as a panel to discuss their findings and with members of the NECC/ECC before completing their individual assessments. Minutes of the meetings will be taken. All comments will be answered. Administrative and facilitative support will be provided by the Corps, including facilitating meetings, tasking members, taking minutes, and assembling the Peer Review Report for the panel.

Following are preliminary thoughts on general topic areas to be addressed in the interim report:

- 5) Traditional economic analysis and evaluation related to national economic development (NED) using updated NETS products and data.
- 6) Complementary work that goes beyond traditional effort and provides for more complete understanding of the complexity and uncertainty surrounding the forecasting, analysis, and evaluation. Specific areas of investigation will be determined in collaboration with partners (NECC/ECC). Possibilities include - *Understanding strengths and weaknesses of NETS products relative to UMRS; understanding the role of waterways in facilitating U.S. farm policy and international competitiveness and in easing congestion on other modes of transportation; forecasting trends in use of waterways, including its role in transporting non-traditional cargo, such as containers and other uses that have potential to contribute to NED benefits; understanding the impact water transportation has on containing transportation rates for other modes; and understanding the impact of navigation improvements will have on facilitating growth of water transportation dependent industry (regional development).*
- 7) More complete assessment of "regional economic development", including *the impact navigation improvements will have on facilitating growth of water transportation dependent industry.*

- 8) More complete assessment of “other social impacts”.
- 9) Preliminary re-assessment of environmental impacts based on updated traffic forecasts.

It's important to note that the level of study and ability to gather new information will be limited by time and other considerations. Recommendations in the interim report, however, may suggest areas that need further investigations as part of the reevaluation study. As with the effort for the interim report, the level of study and amount of data gathering may need to be restricted for any number of reasons.

I look forward to discussing these topics with you at the NECC/ECC meeting next week.

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