

-----EXAMPLE LETTER OF INTENT (Navigation Improvements)-----

Mike Wilson, P.E.  
Chief, Planning, Programs, and Project Management Division  
U.S. Army Corps of Engineers, Nashville District  
P.O. BOX 1070  
Nashville, TN 37202-1070

Date

Dear Sir:

In accordance with the provisions of Section 107 of the Rivers and Harbors Act of 1960, as amended, the *(state, city, county, town, port authority)* requests the Corps of Engineers assistance in the planning, design, and construction of general navigation features for a small port project at *(name of site, stream)*. *(Briefly discuss the need for the study and the nature, extent, and source of interest in navigation needs and provide any other available information justifying those needs.)*

We are aware of the following cost sharing requirements associated with projects undertaken under this authority.

- The Feasibility Phase is federally funded up to \$100,000. Costs in excess of \$100,000 are cost shared on a 50/50 basis with the non-federal sponsor. All of the sponsor's share can be in-kind services.
- After about \$20,000 has been expended, a decision is made whether to continue and whether cost sharing is likely to be needed. In the study, the problem is defined, the Federal interest is determined, potential solutions are laid out, and the most feasible plan is chosen. The costs, benefits, and environmental impacts of the potential project are analyzed. A project cooperation agreement (PCA) is drawn up in which the Government and the sponsor agree to share project costs. During construction the sponsor must pay 10 percent of the construction costs for the breakwater, entrance channel, and maneuvering area for projects 20 feet deep or less. (For projects more than 20 but less than 45 feet deep, the sponsor must pay 25 percent.) The sponsor must pay an additional 10 percent over 30 years; the value of lands, easements, and rights-of-way may be credited toward this amount. The sponsor is also responsible for removal of all hazardous, toxic, and radioactive waste prior to any construction and for the operation, maintenance, repair, rehabilitation and replacement of the project after it is completed. Local interests must pay any costs over the \$10 million Federal limit.
- The sponsor is responsible for removal of all hazardous, toxic, and radioactive waste prior to any construction and for the operation, maintenance, repair, rehabilitation and replacement of the project after it is completed.

We are aware that this letter serves as an expression of intent and not a contractual obligation and either party may discontinue the study process at any stage prior to construction.

Sincerely,  
Name of Sponsor  
Title (Official Capacity)  
Mike Wilson, P.E.