

## Part 602 – Reviews and Approvals

### Subpart A – Approval for National Environmental Development (NED) Exceptions

#### 602.0 Exceptions to the NED Plan Requirement

A. “Exceptions may be made when there are overriding reasons for recommending another plan, based on other Federal, State, local and international concerns,” as stated in the 6th Principle of the P&G.

B. There are no specific criteria for deciding whether an exception should be granted. The process involves comparing the net NED benefits foregone in the NED plan with the non-NED net beneficial effects of the preferred plan. The non-NED effects should be described in the other P&G accounts, such as the environmental quality and other social effects accounts. The rationale for granting the exception should be explained in the plan (see Title 390, National Watershed Program Handbook (NWPB), Part 601, Subpart D, Section 601.40 of this handbook).

C. Exceptions have been granted to provide program benefits to disadvantaged communities, to increase flood protection beyond the level that maximizes the net NED benefits, and to enhance fish and wildlife habitat. In order to provide flood prevention program benefits to disadvantaged communities and areas, exception requests may be considered based on the following conditions:

- (1) Housing values in the benefited area are less than 75 percent of State average values.
- (2) The average per capita income for the last three years in the benefited area is less than 75 percent of the national average, or current unemployment in the project area is twice the national average over the past 3 years.
- (3) The project benefit-cost ratio is greater than the ratio of the national 3-year average per capita income to the per capita income in the benefited area.

D. Example Exception Scenario.—The following is an example of a situation where an exception request might be warranted. The table below shows a plan with four alternatives identified, including the no-action alternative and three action alternatives. Alternative A has the highest net NED benefits and the highest benefit-cost ratio. However, alternative B exceeds the minimum performance and safety standards. A decisionmaker who selects alternative B is concluding that the net non-NED benefits associated with selecting alternative B, rather than alternative A, are worth more than the \$1,000 reduction in NED annual net benefits annual costs over the project life. In this case, the decisionmaker felt it made sense to better address public safety by exceeding the minimum safety and performance standards.

Figure 602-A1: Average Annual Dollars (4-5/8 Percent Discount Rate, 50-Year Period of Analysis)

	<b>No Action</b>	<b>Alternative A (NED Plan)</b>	<b>Alternative B (Preferred Alternative)</b>	<b>Alternative C</b>
NED Benefits	--	\$4,000	\$12,000	\$12,000

NED Costs	--	\$1,000	\$10,000	\$16,000
NED Net Benefits	--	\$3,000	\$2,000	\$-4,000
Benefit/Cost Ratio	--	4:1	1.2:1	0.75:1
Safety and Performance Standards	--	Met	Exceeded	Met
Protects Against the 500-Year Event	--	No	Yes	No
Protects Against Multiple Auxiliary Spillway Flow Events	--	No	Yes	No

E. List all net non-NED benefits associated with selecting the preferred alternative. Do not duplicate items that have already been included in the NED account. The discussion must be restricted to the environmental quality, other social effects, and regional economic development accounts. This constitutes an explanation as to why the net benefits in the other accounts justify the loss in net benefits in the NED account.

## 602.1 Timing and Documentation

The Chief's approval of an exception to the NED plan requirement should be obtained prior to the completion of the technical and policy review described in 390-NWPH, Part 602, Subpart B (this handbook).

## 602.2 Watershed Rehabilitation Projects

For Watershed Rehabilitation Program plans where human life is at risk in the event of a catastrophic failure of an existing dam, and the dam does not meet current safety and performance standards, the NED plan is defined as the federally assisted alternative with the greatest net benefits. If the policy identified NED plan is not selected, a project specific exception is required. (see Title 390, National Watershed Program Manual Part 502, Subpart A, Section 502.2, for this policy.)

## 602.3 NED and Projects Requiring Congressional Approval

For plans requiring congressional committee approval, the exception will be subject to subsequent review by the Secretary, the Office of Management and Budget, and the congressional committee responsible for approving the plan.