

Colonel ANDERSON. The report has not been submitted to you. In fact, the Chief of Engineers has the report for revision in his hands now.

Mr. GRAY. Would you be at liberty to tell the committee what the annual cost of this drift removal would be in your original recommendation without—

Colonel ANDERSON. With incineration.

Mr. GRAY. Without modification of incinerator?

Colonel ANDERSON. Yes, sir. I believe the information in the handout you have states the annual charges for maintenance and operation would be \$29,000. By the use of incineration this would be raised to \$40,000. Now the tangible annual benefits are estimated to be \$34,000, either with or without incineration. These consist of damage prevention benefits.

Mr. GRAY. So without the incenerator, it would be a favorable benefit-cost ratio, would it not?

Colonel ANDERSON. Yes. From strictly an economic standpoint. However, we want to emphasize that there are considerable intangible benefits contributing to a project of this nature, even though with incinerator costs added it appears to have an unfavorable benefit-cost ratio. For example, cleaning up the harbor, providing safety for small boats, preventing waterside fires that have been caused by the drift, alleviating air pollution, and enhancing fish and wildlife conditions.

Mr. GRAY. I am a little bit lost here. I cannot understand how the Bureau of the Budget and Secretary feels that general legislation would make this a favorable project, whereas specific legislation would not. You have still got the same cost, whether you incinerate it or whether you do not. I do not follow the logic.

Colonel ANDERSON. The Secretary of the Army felt that there would be repeated proposals of this nature for all of the harbors in the country. At present, there is no firm policy for local participation or cost sharing.

Mr. GRAY. I understand that.

Colonel ANDERSON. General legislation, including cost sharing, is being proposed. The Secretary is not opposing this project on the basis of economics but on the basis of cost sharing.

Mr. GRAY. It would cost exactly the same amount on individual contracts to do this, whether it is covered in broad legislation or whether it is covered in specific legislation; would it not?

Colonel ANDERSON. We would say the total costs are the same, except that the proposed legislation would include cost sharing rather than having the total costs borne by the United States.

Mr. GRAY. I see.

Colonel ANDERSON. And this cost sharing would be approximately as follows: The Federal Government would collect the drift and deliver it by water to a certain point, and the local agency would then take the drift and dispose of it, either by incineration or by burying it.

Mr. GRAY. You do not have that cost-sharing formula that is being in the overall legislation, in the event it does not come that we can consider it on this specific project?

Colonel ANDERSON. I do not have the calculation to show you what that would break into in terms of cost.

Mr. GRAY. But the recommendation for overall legislation, so to speak, does have the cost-sharing formula in it?