

tington auxiliary channel to provide a 9-foot depth navigation channel between the mouth of the Yazoo River and Greenwood, Miss.

The total estimated cost of the proposed improvement is \$52,907,000. The benefit-cost ratio is 1.6.

Local interests have indicated their willingness to meet the required items of local cooperation.

Comments from the State of Mississippi and Federal agencies are favorable. The Bureau of the Budget has no objection to the submission of this report to the Congress.

However, in the Budget statement they expected the Chief of Engineers to review the timing of initiation of each leg of the project prior to requesting appropriations of funds for construction.

Mr. Chairman, this is a brief of our prepared statement. I will be happy to answer any questions.

Mr. BLATNIK. The Bureau of the Budget raises one or two questions, does it not, about timing on the project, first of all the Bureau of the Budget noted that the upper leg of the project—what does that mean—upper leg of the project be constructed independently following completion of construction of the lower leg of the project.

What does that mean?

General NOBLE. The upper segment of the project, sir.

Mr. BLATNIK. Which is the lower leg?

Colonel HALL. The upper segment is above Yazoo City. The lower segment is from the mouth of Yazoo City.

Mr. BLATNIK. Any reason for that comment?

Taking one piece at a time, rather than to put it in one lump project—

General NOBLE. I do not see anything there that should raise much question, sir. We probably would build it that way and would so recommend.

Mr. BLATNIK. You would build it that way anyway?

General NOBLE. We would do it a piece at a time.

Mr. BLATNIK. I note that the Budget's comment would defer construction of the project until the potential annual benefits expected to accrue immediately following construction are equal to the annual costs of the project. Is this a new policy? I would think that the implementation of a policy of this nature would prevent almost any project from ever being constructed.

Colonel HALL. I think they are referring there, sir, to potential project benefits as related to those which would be expected to accrue immediately after construction.

Mr. BLATNIK. Is this a new policy or some new criteria that the Bureau has not been applying to other projects?

I am shocked by this new policy. I want the record to clearly show my opposition to the implementation of a policy which would require the annual benefits to exceed the annual costs in the first year.

General NOBLE. These are a new type of comments from BOB, sir. I do not really know how to comment on them myself.

They are an indication of a more conservative approach to scheduling of these projects for construction after authorization. I do not know whether the net result of implementing these comments would end up with our budgeting process differing in any way at all, I am not prepared to state it this morning.