

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION	Number: DR 9500-013
SUBJECT: Conducting Analyses Under the Principles, Requirements, and Guidelines for Water and Land Related Resources Implementation Studies and Federal Water Resource Investments	DATE: January 5, 2017
	OPI: Natural Resources and Environment

1. PURPOSE

This Departmental Regulation (DR) provides U.S. Department of Agriculture (USDA) policy for analyzing Federal investments in water resources. The policy follows requirements set forth in the Council on Environmental Quality (CEQ) [Principles and Requirements for Federal Investments in Water Resources](#) (P&R) and [Interagency Guidelines](#) (IAG).

2. SPECIAL INSTRUCTIONS

This DR is one portion of guidance on analyzing Federal investments in water resources. The remaining guidance is included in Departmental Manual (DM) 9500-013, *Guidance for Conducting Analyses Under the Principles, Requirements, and Guidelines for Water and Land Related Resources Implementation Studies and Federal Water Resource Investments*.

3. POLICY

It is USDA policy to use the Principles, Requirements, and Guidelines for Water and Land Related Resources Implementation Studies (PR&G) as a common framework for evaluating USDA water resources investments. The requirements and procedures for implementing this policy are contained in this DR and DM 9500-013.

4. BACKGROUND

Over the past three decades, certain Federal investments in projects that impacted water resources were analyzed under the *Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies*, commonly referred to as the "P&G." This framework provided direction to Federal agencies when evaluating and selecting major water projects, that related directly to water resources, and it focused on the economic development impacts of those projects.

With the passage of the *Water Resources Development Act of 2007* ([WRDA](#)), Congress directed the Federal government to update this framework. To do so, CEQ led a process to establish new guidance to incorporate a more balanced consideration of economic, social, and environmental objectives. Based on consultation with CEQ, USDA has determined that this framework shall apply to the Farm Service Agency, Forest Service, Natural Resources Conservation Service, and the Rural Utilities Service.

The intent of this DR and accompanying DM is to provide USDA's covered agencies with the framework on how to implement the PR&G when analyzing water and land resource projects.

The PR&G are a statement of Federal government policy and concern water resource activities receiving a Federal investment. The PR&G do not impose any legally binding requirements on Federal agencies, and do not create any rights in third parties. The PR&G do not create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, or its Departments, agencies, entities, officers, employees, or agents, or any other person. Activities are subject to the availability of funding. Application of the PR&G is subject to financial thresholds and other exclusions or exemptions.

5. FEDERAL OBJECTIVE, GUIDING PRINCIPLES, AND GENERAL REQUIREMENTS OF THE PR&G

The ultimate intent of a PR&G analysis is to ensure that consideration is given to the economic, social, and environmental effects of a potential water related activity, using appropriate techniques that capture more than just the monetized benefits of a project. The Federal Objective, as defined by the WRDA and included in the P&R, specifies that Federal water resource investments shall reflect national priorities, encourage economic development, and protect the environment by:

- a. Seeking to maximize sustainable economic development;
- b. Seeking to avoid the unwise use of floodplains and flood-prone areas and minimizing adverse impacts and vulnerabilities in any case in which a floodplain or flood-prone area must be used; and
- c. Protecting and restoring the functions of natural systems and mitigating any unavoidable damage to natural systems.

As defined in the P&R, sustainable is defined as the "creation and maintenance of conditions under which humans and nature can coexist in the present and into the future." The P&R also defines unwise use of floodplains as "any action or change that has an unreasonable adverse effect on public health and safety, or an action that is incompatible with or adversely affects one or more floodplain functions that leads to a floodplain that is no longer self-sustaining."

The P&R establish a set of Guiding Principles and General Requirements that should be incorporated into the design and analysis of Federal investments in water resources. The Guiding Principles constitute the concepts that should consider when analyzing Federal investments in water resources and the General Requirements are topics that agencies must consider when analyzing Federal investments in water resources.

Details on the exemptions, exclusions, and financial threshold for application of the PR&G are contained in DM 9500-013. Normal operations and maintenance, regulatory programs, research and monitoring activities, and emergency actions involving potential loss of life are excluded, as are projects with less than \$10 million Federal investment, and Federal grant or funding programs costing less than \$50 million annually. However, the cumulative effects of many small or routine actions may potentially require analysis. Exemptions are allowed when there is an equivalent evaluation process in place. Agencies covered by this DR and associated DM may require analysis of projects or programs below the threshold levels to meet Agency policy requirements.

Additional information on the Federal Objective, Guiding Principles, and General Requirements can be found in DM 9500-013.

6. ROLES AND RESPONSIBILITIES

- a. The Under Secretary for Natural Resources and the Environment, or designee, shall oversee implementation of the PR&G analysis process and, where necessary, coordinate updates of any methods or procedures for conducting a PR&G analysis.
- b. The Chief Economist, or designee, shall resolve any disputes in economic methods used as part of a PR&G analysis.
- c. The Administrator, Farm Service Agency; Chief, Forest Service; Chief, Natural Resources Conservation Service; and Administrator, Rural Utilities Service, or their designees are responsible for implementing the PR&G and ensuring that the Federal Objective, Guiding Principles, and General Requirements are integrated into planning and evaluation processes that are encompassed by the PR&G.
- d. The following individuals and offices provide agency technical support for implementing the PR&G:
 - (1) Farm Service Agency: Director, Economic and Policy Analysis
 - (2) Forest Service: National Director, Watershed, Fish, Wildlife, Air and Rare Plants; and Director, Ecosystem Management Coordination.
 - (3) Natural Resources Conservation Service: Associate Chief for Conservation

(4) Rural Utilities Service: Assistant Administrator, Water and Environmental Programs

7. ABBREVIATIONS

ASP	Agency-Specific Procedures
CEQ	Council on Environmental Quality
DM	Departmental Manual
DR	Departmental Regulation
IAG	Interagency Guidelines
P&G	Principles and Guidelines for Water and Related Land Resources Implementation Studies (1983)
P&R	Principles and Requirements for Federal Investments in Water Resources (2013)
PR&G	Principles, Requirements, and Guidelines for Water and Land Related Resources Implementation
USDA	U.S. Department of Agriculture
WRDA	Water Resources Development Act of 2007

8. REFERENCES

[Interagency Guidelines](#), December 2014

[Principles and Requirements for Federal Investments in Water Resources](#), March 2013

[Water Resources Development Act of 2007](#), November 8, 2007

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