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## **GAO Confirms Army Corps Claims of Delaware Deepening Project Still Flawed And Fail To Provide Accurate Picture**

Responding to a request by Senator Lautenberg, the Government Accountability Office has issued another review of the Delaware deepening project. In their report released publicly on April 2, 2010 the GAO finds:

Maya van Rossum, the Delaware Riverkeeper says “this report confirms that the Army Corps still has not provided an accurate picture of the Delaware deepening and its ramifications for our region. If the Army Corps had spent as much time in providing accurate economic and environmental analyses as it has in evading the requirements of environmental protection laws we would have an accurate picture of the impacts of this project – instead we are all left with a lot more questions than answers.”

Examples of concerns/inaccuracies documented in the report:

- ✓ “Because of these and other omissions, decision makers do not have sufficient updated information to judge the extent to which market and industry changes would affect the project’s net benefits.”

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- ✓ “Consequently, decision makers do not have the updated information necessary to indicate whether the market and industry changes that have occurred would affect the project’s net benefits.”
- ✓ “The reanalysis’s crude oil benefit assumptions are not consistent with current market and industry conditions and future outlook, which raises questions about the reliability of the reanalysis’s crude oil benefit estimate.”
- ✓ “Changes in the Delaware River crude oil refining industry affect the reanalysis’s crude oil benefit assumptions in ways that raise questions about the Corps’ crude oil benefit estimate. “
- ✓ “The reanalysis’s containerized cargo benefit assumptions may not fully reflect current conditions and cannot be adequately assessed without additional information.”
- ✓ “We were unable to verify the Corps’ key assumptions underlying the reanalysis’s expected containerized cargo benefits.”
- ✓ “The reanalysis’s steel slabs benefit assumptions are not consistent with current market conditions.”
- ✓ “The Corps’ benefit model correctly presumes that transportation cost savings could be generated from these efficiencies, but given the market and industry changes since the modeling was performed, the benefit estimates may not be reliable.”
- ✓ The Corps’ 2009 update did reduce the project’s overall benefit estimate by 2.6 percent to remove benefits that were expected to be achieved prior to the completion of all segments of the deeper channel. In the reanalysis, the Corps stated that its construction schedule would allow benefits to be achieved at downriver facilities where deepening had already occurred before all upriver segments had been deepened. However, we observed—and Corps officials agreed—that the Corps’ revised construction schedule makes it impossible to achieve these benefits.”

The Delaware Riverkeeper Network, along with the Environmental Endowment for New Jersey, the Delaware Nature Society, Clean Water Action, and the National Wildlife Federation have brought legal action challenging the deepening project as being in violation of seven federal environmental laws.

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