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the provisions of this regulation, in accordance with established procedures for preauthorization feasibility studies. If such letters cannot be obtained from the bridge owner, the reporting officers shall then include in their report a statement that the cost of such alterations shall be borne by the bridge owner or, in the alternative, be apportioned between the bridge owner and the Government as provided under the principles of Section 6 of the Truman-Hobbs Act (33 USC 516).

§277.7 Coordination with the U.S. Coast Guard.

In accordance with an agreement signed by the Chief of Engineers on 18 April 1973, (EP 1165–2–2 for a copy of the agreement), reporting officers shall consult with the Coast Guard on contemplated and recommended navigation improvements which involve the consideration of bridge alterations. Determination of navigational requirements for horizontal and vertical clearances of bridges across navigable waters is a responsibility of the Coast Guard. The Chief of Engineers shall coordinate preauthorization feasibility reports, which include recommended bridge alterations, with the Commandant, U.S. Coast Guard.

§277.8 Procedures for apportionment of costs.

This paragraph provides the procedures for apportionment of costs of bridge alterations, as established by the U.S. Coast Guard (reference §277.3(c)) and adapted for use in Corps planning and construction programs. A sample apportionment of the cost of a hypothetical bridge alteration is provided in Appendix B.

(a) *Calculate the total estimated cost of bridge alteration.* The total estimated cost, to be apportioned by these procedures, includes the cost of all necessary appurtenances required to complete the alteration for use by both highway and railway traffic, including engineering, design and inspection.

(b) *Determine the salvage value of bridge to be altered.* The salvage value represents the worth of the materials in the old bridge which may be used for scrap or for other purposes. The value will vary depending on the intended use of the materials.

(c) *Determine direct and special benefits*—(1) *Removing old bridge.* The bridge owner shall pay a share of the removal cost computed as that part of the removal cost that the used service life bears to the total estimated service life. The share of the bridge owner, thus computed, represents an obligation incurred by the owner now by reason of the needs of navigation which otherwise would not have to be met until the bridge had reached the end of its useful life. Accordingly, the present worth of the amount is computed deferred over the unexpired life. The discount rate to be used in the present worth computation is that established by the Water Resources Council, current at the time of the study.

(2) *Fixed charges.* A fixed charge such as engineering, design, and inspection costs, realtor and counsel fees, and the bridge owner's administrative expenses is an undistributed cost, shared in the ratio that each party shares in the cost of construction less fixed charges. In computing the bridge owner's share of the fixed charges, all other financial liabilities assigned to the bridge owner shall be included in the computation.

(3) *Contribution.* If a third party should be involved in a bridge alteration project, such as a party which might benefit from some reasonable modification beyond the needs of navigation and the needs and desires of the bridge owner, that party would be responsible for the incremental costs of such further modification, and such costs would not enter into the apportionment between the bridge owner and the Federal Government.

(4) *Betterments.* Items desired by the bridge owner, but which have no counterpart in the old bridge or are of higher quality than similar items in the old bridge, will be included under this heading. Items considered to fall within this category are listed below. It is intended this list serve as a guide to indicate the types of items that may be considered betterments. The cost of such items will be borne by the bridge owner.

(i) Access roads.

(ii) Concrete or stone finish of embankment slopes instead of seeding.