

1. Administrative Details

Proposal Name: Alaska Deep-Draft Arctic Port System Study

by Agency: City of Nome, Alaska

Locations: AK

Date Submitted: 09/23/2015

Confirmation Number: 48329e38-593c-43f1-b8d0-5153ddb5b2

Supporting Documents

File Name	Date Uploaded
CON 7001 Proposal - 09.23.15 FI-NAL.pdf	09/23/2015

2. Provide the name of the primary sponsor and all non-Federal interests that have contributed or are expected to contribute toward the non-Federal share of the proposed feasibility study or modification.

Sponsor	Letter of Support
City of Nome, Alaska(Primary)	The City of Nome has reviewed the Alaska Deep-Draft Arctic Port System Study, and affirms support of the Recommended Plan identifying Nome as the most cost effective and beneficial site in the region. Therefore, the City of Nome intends to act as the non-Federal sponsor for the subsequent phases of the study, specifically design and construction.

3. State if this proposal is for a feasibility study, a modification to an authorized USACE feasibility study or a modification to an authorized USACE project. If it is a proposal for a modification, provide the authorized water resources development feasibility study or project name.

Feasibility Study

4. Clearly articulate the specific project purpose(s) of the proposed study or modification. Demonstrate that the proposal is related to USACE mission and authorities and specifically address why additional or new authorization is needed.

The purpose of conducting the Alaska Deep-Draft Arctic Port System Study was to address the need for enhanced marine infrastructure to support planning objectives identified by the USACE vertical team to support multiple maritime missions, holistic growth, compatibility with the local cultural, subsistence and natural resources of the region, uplands development, as well as the broader Arctic objectives outlined in federal and state Arctic strategies. The significant lack of Arctic marine infrastructure necessary to support the marine assets charged with protecting the environment, lives at sea, food security and our national security interests is clearly alarming, and warrants an immediate call to action for development.

This study was conducted under authority granted by Section 204 of the Flood Control Act of 1948 (P.L. 80-858) which states in part:

“The Secretary of the Army is hereby authorized and directed to cause preliminary examinations and surveys for flood control and allied purposes...to be made under the direction of the Chief of Engineers, in drainage areas of the United States and Territorial possessions, which include the following named localities:...Harbors and Rivers in Alaska, with a view to determining the advisability of improvements in the interest of navigation, flood control, hydroelectric power, and related water uses.”

The advancement of this ongoing study is necessary to secure approval for inclusion in the Chief’s Report, in order to progress on to the design and construction phases. The City of Nome intends to be the non-Federal cost-share partner with the USACE/POA for both the Pre-construction, Engineering & Design phase, as well as the Construction phase of the project.

Therefore, we respectfully request authorization for this project to continue, to address the need for a Deep-Draft Arctic Port at Nome, Alaska.

5. To the extent practicable, provide an estimate of the total cost, and the Federal and non-Federal share of those costs, of the proposed study and, separately, an estimate of the cost of construction or modification.

	Federal	Non-Federal	Total
Study	\$1,500,000	\$1,500,000	\$3,000,000
Construction	\$98,000,000	\$114,000,000	\$212,000,000

Explanation (if necessary)

Alaska Department of Transportation has been the non-Federal cost-share partner on the feasibility study of this project. The City of Nome will become the non-Federal cost-share partner for the remaining PED and Construction phases of the project.

6. To the extent practicable, describe the anticipated monetary and nonmonetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.

The Alaska Deep-Draft Arctic Port System Study will provide critical infrastructure to support the staging of assets and resources necessary to respond to the protection of human life and the marine environment in the Arctic region. Presently, these resources must travel great distances via water and air, significantly reducing the effectiveness of the response, and resulting in negative impacts to the environment and risking potential loss of life. The Nome Port facility is an existing marine hub for the region that, with expanded protective infrastructure, would greatly improve the overall inter-modal transportation system in the region, reduce operating costs for maritime commerce, generate a clear economic impact to the state and the nation, as well as provide a strategic location for maritime defense assets to support and protect the national security interests of the United States.

The need for Arctic marine infrastructure is abundantly clear, and the time is now to design, fund and build a deep draft port facility to ensure the protection of life safety, the environment, national security and the natural resources of this country. An Arctic Deep- Draft Port at Nome will prove to effectively meet each of the nation's Arctic strategy priorities, and provide a location of strategic importance for national defense assets to protect the sovereignty of the United States.

7. *Does local support exist? If ‘Yes’, describe the local support for the proposal.*

Yes

Local Support Description

Local support for the Arctic Deep-Draft Port at Nome clearly exists at the municipal, industry, native corporations and public levels for the economic benefit and environmental protection throughout the region.

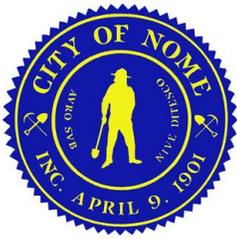
8. *Does the primary sponsor named in (2.) above have the financial ability to provide for the required cost share?*

Yes

Additional Proposal Information

(This is as uploaded, a blank page will show if nothing was submitted)

CON 7001 Proposal - 09.23.15 FINAL.pdf



September 23, 2015

U.S. Army Corps of Engineers
Attention: CECW-CE (Lisa Kiefel)
441 G Street NW
Washington, DC 20314-1000

Subject: Submittal for Alaska Deep-Draft Arctic Port System Study in Conformance with
Section 7001 of the Water Resources Reform and Development Act of 2014

Dear Ms. Kiefel:

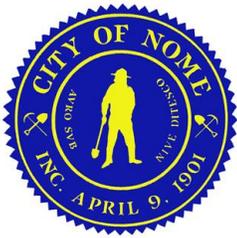
The attached proposal to support the ongoing feasibility study and signing of the Chief's Report for the Alaska Deep-Draft Arctic Port System is hereby submitted in conformance with the requirements of Section 7001 of the Water Resources Reform and Development Act of 2014 as specified in the Federal Register Article 2015-12626, published May 26, 2015.

As the local municipal authority, the City of Nome serves as owner and operator of the Port & Harbor facility, which functions as a major hub for maritime commerce in this remote region. Statistical data of local vessel traffic clearly shows an increase that can be directly attributed not only to increased cargo, fuel and infrastructure development in the region, but also the additional maritime activity in the northern reaches of the Arctic waters that have a defined impact on the Alaska coastline and ultimately, the communities.

Although the economic benefits of infrastructure development in our region is strongly supported by the residents and leaders of these communities, the call for responsible stewardship is resounding throughout the coastline for the nation to protect the environment and reduce the risks to loss of life that exists due to the lack of a deep water port anywhere north of Dutch Harbor, Alaska. The significant lack of adequate infrastructure necessary to support the marine assets charged with protecting the environment, lives at sea and our national security interests is clearly alarming, and warrants immediate action for development.

In pursuit of this critical development, various definitions have surfaced regarding what constitutes a "Deep-Draft Port", several of which are identified below. These definitions clearly show a contrast between what most maritime users and technical experts interpret a deep harbor to be, and what the Arctic Deep Draft Port Study currently demonstrates as economically justified.

- Cited in Title 33 – Navigation and Navigable Waters, Chapter 36, Subchapter II-Harbor Development Section 2241 – Definitions:
(1) The term "deep-draft harbor" means a harbor which is authorized to be constructed to a depth of more than 45 feet (other than project authorized by section 202 this title).



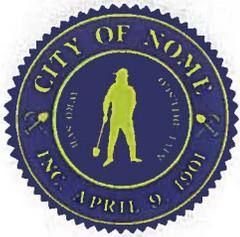
- The USACE's Initial Study Report identifies a deep-draft harbor depth at -35' which conflicts with the current Tentatively Selected Plan of -28' MLLW for the Port of Nome. Specifically the USACE's "Alaska Deep Draft Arctic Ports Study" March 2013, under "Definitions and Acronyms" cites the following:
 1. The term "**deep-draft**" is a term to describe **ports** that can accommodate large vessels such as big cargo ships. In this report, the Study Team defines "**deep-draft**" as a **depth** greater than 35 feet water **depth** (or -35).

The City of Nome has identified a gap between U.S. Arctic Policy and USACE procedures, in that the state and federal Arctic Policy calls for infrastructure development, specifically to construct an Arctic Deep Draft Port at -36' MLLW, but under the USACE's cost benefit ratio (CBR) analysis, the identified benefits only justify a depth of -28 feet, which does not meet the U.S. Arctic Policy call of -36 to -40 feet. Our country must be a global leader in the Arctic, which requires immediate action for investment in adequate Arctic infrastructure to support National Security, National Defense and life safety.

Additional support factors:

- The Alaska Arctic Policy Commission's "Implementation Plan for Alaska's Arctic Policy", January 30, 2015 states on page 6:
 - Strategic Line of Effort #1-The State of Alaska will promote economic and resource development
 - 1A-Facilitate the development of Arctic port system in the Bering Strait Region to support export, response and regional development.
 - Strategic Line of Effort #2-The state of Alaska will address the response capacity gap in Alaska's Arctic:
 - 2B-Support Efforts to improve and complete communications, mapping, nautical charting, navigational infrastructure, hydrography and bathymetry in the Arctic Region.
- Presidential Announcement September 1 2015 in Seward Alaska called for:
 - Accelerated icebreaker construction to 2020
 - Support for construction of a deep water port north of Dutch Harbor
- The National Petroleum Council 2015 (March) "Arctic Potential, Realizing the Promise of the US Arctic Oil & Gas Resources":
 - Lease length maybe longer due to the opening of the Arctic possibly requiring more trips from the lease site to the port of Nome for crew change, resupply, and place of refuge. (page 30 in executive summary increasing from 140 to 161 days)
- The USACE's Fleet Characteristics made "a risk-informed decision on its assumptions and received vertical team buy-in on the assumptions prior to achieving the TSP milestone". The NPC report address some of the floating structures which should be reviewed. We appreciate the work the USACE has done in interview with two or three companies, that gives a broader context of what is out there for vessels.

As every mariner knows, the availability of emergency response services in proximity to their area of operation can be crucial to surviving an incident on the water. *Title 33 CFR 2240 – Emergency*



Response Services describes options for assisting a non-Federal interest with funding the infrastructure and components necessary to provide such services, specifically:

(a) *Grants.*

The Secretary is authorized to make grants to any non-Federal interest operating a project for a harbor for provisions of emergency response services in such harbor (including contingency planning, necessary personnel training, and the procurement of equipment and facilities either by the non-Federal interest, by a local agency or municipality or by a combination of local agencies or municipalities on a cost-reimbursable basis, either by cooperative agreement, mutual aid plan, or mutual assistance plan entered into between one or more non-Federal interest, public agencies, or local municipalities).

Although the City strongly supports efforts by the USACE Alaska District for the ongoing study, design and construction of an Arctic Deep-Draft Port at Nome, further investigation may be warranted in the upcoming design phase to determine the appropriate design depth needed for this facility.

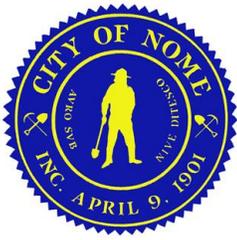
Sincerely

CITY OF NOME

Denise Michels
Mayor

cc: USACE/POA

Enclosures



ATTACHMENT

ALASKA DEEP-DRAFT ARCTIC PORT SYSTEM STUDY – NOME, ALASKA

The information below is submitted by the City of Nome, Alaska (non-federal sponsor) in compliance with the Water Resources Reform and Development Act of 2014 Section 7001, and as noted in the Federal Register on May 26, 2015, Document Number FR 2015-12626.

- 1. Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non-Federal share of the proposed feasibility study or modification.**

City of Nome
P.O. Box 281
102 Division St.
Nome, AK 99762-0281

- 2. State if this proposal is for a feasibility study or a modification to an authorized USACE project or feasibility study and, if a modification, specify the authorized project or study.**

This proposal is for an advancement of an authorized Feasibility Study for a Deep-Draft Arctic Port facility in Alaska.

The Alaska Deep-Draft Arctic Port System Study is being conducted under authority granted by Section 204 of the Flood Control Act of 1948 (P.L. 80-858) which states in part:

“The Secretary of the Army is hereby authorized and directed to cause preliminary examinations and surveys for flood control and allied purposes...to be made under the direction of the Chief of Engineers, in drainage areas of the United States and Territorial possessions, which include the following named localities:...Harbors and Rivers in Alaska, with a view to determining the advisability of improvements in the interest of navigation, flood control, hydroelectric power, and related water uses.”

The Report of the Chief of Engineers on Rivers and Harbors in Alaska, published as House Document Numbered 414, 83d Congress, 2d Session provided an interim response to the authority granted by Section 204 of the Flood Control Act of 1948 including specific recommendations for construction of improvements at Sitka, Dry Pass, and Neva and Olga Straits as well as construction of various previously-authorized projects that had not been completed.

A U.S. House of Representatives Public Works Committee Resolution for Rivers and Harbors in Alaska, adopted December 2, 1970 authorized additional reviews of the recommendations contained within the report *“and other pertinent reports, which a view to determine whether any modifications of the recommendations contained therein are advisable at the present time.”*



3. State the project purpose of the proposed study or modification.

The project purpose is to advance the Feasibility Study for the Alaska Deep-Draft Arctic Port System Study currently underway for authorization of a Chief's Report. The Chief's Report is currently scheduled for completion in November 2015.

4. Provide an estimate, to the extent practicable, of the total cost of the proposed study or modification.

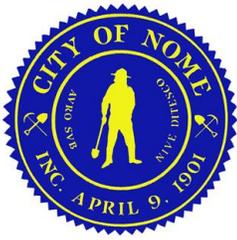
Total study cost to date is \$3,000,000.00 (Federal and Non-Federal). No additional study cost increases are anticipated at this time. Design costs are estimated at \$3,000,000 (Federal and Non-Federal), and construction costs are estimated to be in the \$215M range.

5. Describe, to the extent practicable, the anticipated monetary and nonmonetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.

The Alaska Deep-Draft Arctic Port System Study will provide critical infrastructure to support the staging of assets and resources necessary to respond to the protection of human life and the marine environment in the Arctic region. Presently, these resources must travel great distances via water and air, significantly reducing the effectiveness of the response, and resulting in negative impacts to the environment and potential loss of life. The Nome Port facility is an existing marine hub for the region that, with expanded protective infrastructure, would greatly improve the overall intermodal transportation system in the region, reduce operating costs for maritime commerce, generate a clear economic impact to the state and the nation, as well as provide a strategic location for maritime defense assets to support and protect the national security interests of the United States.

Clearly, Russia is expanding their Arctic marine facilities. Other nations traversing the Northern Sea Route are utilizing this service and becoming dependent on Russia's infrastructure. The U.S. must reciprocate with an Arctic Deep Draft Port to facilitate a strong American presence in the Arctic, placing sanctions on Russia is difficult because our allies rely on their facilities to move waterborne commerce through the Northern Sea Route.

Nome is the only recognized port of call for U.S. Customs & Border Protection services north of Dutch Harbor. The nation is clearly at risk for infiltration of international smuggling and terrorist activities due to the limited national security assets on patrol in Alaskan waters. Vessels are able to disembark passengers at any small community along the coastline North of Nome, without fear of being noticed. This includes adventurers on sailboats, yachts, kite boards, jet skis, track vehicles, and international swimmers.



The need for Arctic marine infrastructure is abundantly clear, and the time is now to design, fund and build a deep draft port facility to ensure the protection of life safety, the environment, national security and the natural resources of this country. An Arctic Deep-Draft Port at Nome will prove to effectively meet each of the nation's Arctic strategy priorities, and provide a location of strategic importance for national defense assets to protect the sovereignty of the United States.

6. Describe if local support exists for the proposal.

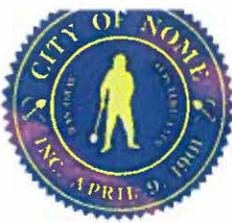
Local support for the Arctic Deep-Draft Port at Nome clearly exists at the municipal, industry, native corporations and public levels.

7. State if the non-federal interest has the financial ability to provide for the required cost share.

The State of Alaska, Department of Transportation has been the non-federal cost-share partner on the ongoing Feasibility Study. It is the intention of the City of Nome to become the non-federal cost-share partner for the Preconstruction, Engineering & Design, as well as the Construction phases of the project, once authorized by the signing of the Chief's Report. The City of Nome has on-hand, the necessary 25% cost share or \$750,000 to fund the non-federal share of the PED phase, and have contracted with a financial planner to identify and assist in securing the cost-share funds for the construction phase.

8. Submit a letter or statement of support from each associated non-Federal interest.

As stated in the cover letter to this submittal, the City of Nome is one of the local non-federal sponsors of the study, and plans to continue in this role through this and future phases of the project. See attached September 17, 2015 City support letter, provided to the USACE.



September 17, 2015

Bruce Sexauer
Alaska District Corps of Engineers
CEPOA-PM-CW
P.O. Box 6898
JBER, AK 99506

RE: Alaska Deep Draft Arctic Port System Recommended Plan – Nome

Dear Mr. Sexauer,

The City of Nome has reviewed the navigation improvements feasibility report for the Alaska Deep Draft Arctic Port System study and is writing to you to affirm our support. The City of Nome intends to act as the non-Federal sponsor for the subsequent phases of the study, namely the Preconstruction Engineering and Design Phase and the Construction Phase, and therefore supports the findings of the report and its recommended plan to construct an extension to the existing causeway with a 450-foot or 650-foot deep water dock, and dredging of the channel and maneuvering basin to minus 28-feet.

There are a number of indicators that clearly highlight the need to increase the depth of the expanded basin to minus 36-feet, the most significant of which are for purposes of National Security, Search & Rescue (Life Safety) and Environmental Protection. These are all critical factors of national importance that not only support numerous National Arctic Strategies, but warrant further consideration as justification for constructing an Arctic Deep Draft Port at Nome, a location of clear strategic importance. We understand that the deeper depth lacks project justification at this time so we continue to support the minus 28-foot alternative. We plan to work with the Corps in the coming years as there is a demonstrated need for further enhanced marine infrastructure in the Arctic.

The City of Nome encloses a Self-Certification of Financial Capability with this letter. We look forward to the next engineering and design phase, followed by the construction of this project that is of great importance to the City, the Arctic region, the State of Alaska and the Nation.

Sincerely,

CITY OF NOME


Denise Michels
Mayor

Cc: Nome Common Council
Nome Port Commission