1. Administrative Details

Proposal Name: Modification of the Cleveland Harbor Project
by Agency: The Cleveland-Cuyahoga County Port Authority
Locations: OH

Date Submitted: 09/22/2015

Confirmation Number: 0888c981-efd3-468e-9d4d-5e2e1893b1bf

Supporting Documents

<table>
<thead>
<tr>
<th>File Name</th>
<th>Date Uploaded</th>
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</thead>
<tbody>
<tr>
<td>Cleveland Cuyahoga County Port Authority WRRDA Section 7001 Proposal USACE PDF.pdf</td>
<td>09/22/2015</td>
</tr>
<tr>
<td>Cleveland Cuyahoga County Port Authority WRRDA 7001 Support Letter.pdf</td>
<td>09/22/2015</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Letter of Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Cleveland-Cuyahoga County Port Authority (Primary)</td>
<td>The U.S. Army Corps of Engineers has the operation and maintenance responsibility for Cleveland Harbor. The proposed project modification will result in material dredged from Cleveland Harbor being placed in an upland confined disposal facility, which has been the recent practice, until such time as the material is approved for open water placement by the State of Ohio. Under the authority of Section 217 (d) of the Water Resources Development Act of 1996, as amended, the Cleveland-Cuyahoga Port Authority is prepared to enter into a user fee agreement with the Corps of Engineers for placement of dredged material in CDF 12, which has been improved and is managed by the Port Authority. The user fee cost would be shared by the Port Authority and the Corps of Engineers in accordance with Section 101 of the Water Resources Development Act of 1986, as amended. Other parties whose dredged material also would be placed in the CDF will participate through payment of the prescribed tipping fee. By submitting this proposal, the Cleveland-Cuyahoga County Port Authority does not acknowledge or admit in any way, and no inference shall be imputed to the Port, that any Corps of Engineers’ assertion of a “Federal Standard” that includes open lake placement of dredged material from Cleveland Harbor is valid or has any legal force or effect.</td>
</tr>
</tbody>
</table>

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.

[x] Modification to an Authorized USACE Project: The Cleveland Harbor Project
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.

Modification of the Cleveland Harbor Project to provide that any Federal Standard, as defined in 33 CFR part 335.7, for Cleveland Harbor shall not include open lake placement of dredged material unless such open lake placement is approved by the State of Ohio under the provision of Section 401 of the Clean Water Act (33 USC 1251). The proposed project modification is for the purpose of commercial navigation. The modification will address an impasse between the Corps of Engineers and the State of Ohio concerning open lake placement of dredged material contaminated with PCB and assure that the Cleveland Harbor project continues to be maintained. The State of Ohio has determined that open lake placement of dredged material contaminated with PCB contributes to the bioaccumulation of this toxic material in important commercial and recreational species and also poses a threat to a public water supply. It will clarify that, limited to activity at Cleveland Harbor (and the associated project waters), that any application by the U.S. Army Corps of Engineers of any Federal Standard, as defined in 33 CFR part 335.7, shall not include open lake placement of dredged material unless and until a Section 401 water quality certification is approved by Ohio EPA.
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.

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<thead>
<tr>
<th></th>
<th>Federal</th>
<th>Non-Federal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Construction</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
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Explanation (if necessary)

The project modification providing that no Federal Standard for placement of dredged material from maintenance of Cleveland Harbor can include open lake placement, unless and until approved by the State of Ohio under Section 401 of the Clean Water Act, will not impact the total cost of maintenance dredging and placement at Cleveland Harbor. It will properly allocate the division of Federal and non-Federal costs. The Army Corps currently asserts that 80 percent of the dredged material from Cleveland Harbor (an estimated 180,000 cubic yards) would be placed in the open water of Lake Erie and 20 percent that the Corps does not deem suitable for open lake placement (approximately 45,000 cubic yards) would be placed upland in a confined disposal facility. But the Corps has confirmed that it will not place any dredged material in the open lake without a Section 401 water quality certification from the State of Ohio, which it has not received. Since the placement of Cleveland Harbor dredged material in the open waters of Lake Erie has not been approved by the State of Ohio under the provisions of Section 401, all dredged material must be placed upland and the cost of dredging and disposal is the same as it would be if a Federal Standard does not include open water placement. However, the division of costs between the Corps and the non-Federal interests will be clarified since the current Corps’ policy and demand is that where a State requires a placement that is more expensive than what the Corps asserts is a Federal Standard, non-Federal interests must assume all the additional costs. This impact is illustrated in the chart below using actual bid prices for FY 2015 dredging. In FY 2015 180,000 cubic has been or will be placed. A table explaining our costs analysis can be found in the attachment labeled “Cleveland Cuyahoga County Port Authority Section 70001 Proposal”
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 project modification would assure the continued Federal maintenance of the Cleveland Harbor with upland confined placement of all dredged material in accordance with the determination of the State of Ohio under Section 401 of the Clean Water Act. Upland placement of dredged material has been the practice since passage of the Clean Water Act in 1972. The continued maintenance of the Cleveland Harbor project is critical to the region and the Nation. Nearly 18,000 jobs and $1.8 billion of economic activity are tied to the approximately 15 million tons of cargo that move through the Port of Cleveland and the Cuyahoga River channel each year. Primary cargo is iron ore, limestone, steel, and heavy machinery and equipment. The Port of Cleveland provides the only regularly scheduled Great Lakes service to Europe for containerized and non-containerized cargo. Under this project modification, management of dredged material would be accomplished by the Port Authority. The Port Authority in partnership with the State of Ohio has an active beneficial use program that includes intercepting commercially valued bed-load material (sand and gravel) before it enters the Federal channel with the potential for reducing the annual volume of maintenance dredged material by as much as 15 percent. The Port Authority and State also are undertaking, as part of the Port’s CDF 12 capacity management plan, the harvesting of dredged material the use of which will contribute to community improvement projects in cooperation with the City of Cleveland and dredged material repurposing by the Ohio Department of Transportation.
7. Does local support exist? If ‘Yes’, describe the local support for the proposal.

[x] Yes

Local Support Description

The project modification is supported by the Cleveland-Cuyahoga County Port Authority. The Port Authority is the non-Federal sponsor of the Cleveland Harbor Project. The Port Authority and State of Ohio program of dredged material management and beneficial use enjoys wide support by the City of Cleveland, Cuyahoga County, local governments, Ohio elected officials, and the public.

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

[x] Yes
Primary Sponsor Letter of Support

(As uploaded)
September 22, 2015

Mr. Steven L. Stockton
Director of Civil Works
U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314-1000

Dear Mr. Stockton:

This letter documents the support of the Cleveland-Cuyahoga Port Authority for modification of the authorized Cleveland Harbor Project to provide that any Federal Standard for maintenance of the project will not include open water placement of dredged material in Lake Erie unless such placement is approved by the State of Ohio under Section 401 of the Clean Water Act.

The Cleveland-Cuyahoga Port Authority is the non-Federal sponsor for the Cleveland Harbor Project. The proposed project modification will address an impasse between the Corps of Engineers and the State of Ohio concerning open lake placement of dredged material contaminated with PCB and assure that the Cleveland Harbor continues to be maintained. The Port Authority in cooperation with the State of Ohio is prepared to enter into a user fee agreement with the Corps of Engineers under the authority of Section 217 of the Water Resources Development Act of 1996 to provide capacity in CDF 12 for the placement of dredged material from the maintenance of the Cleveland Harbor project and provide the non-Federal share of the user fee in accordance with Section 217 and Section 101 of the Water Resources Development Act of 1986, as amended.

By submitting this proposal, the Cleveland-Cuyahoga County Port Authority does not acknowledge or admit in any way, and no inference shall be imputed to the Port, that any Corps of Engineers' assertion of a "Federal Standard" that includes open lake placement of dredged material from Cleveland Harbor is valid or has any legal force or effect.

Sincerely,

William D. Friedman
President & CEO
Additional Proposal Information

(This is as uploaded, a blank page will show if nothing was submitted)
MODIFICATION OF AN AUTHORIZED PROJECT

1. Name of the proposal. Modification of the Cleveland Harbor Project to provide that any Federal Standard, as defined in 33 CFR part 335.7, for Cleveland Harbor shall not include open lake placement of dredged material unless such open lake placement is approved by the State of Ohio under the provision of Section 401 of the Clean Water Act (33 USC 1251).

2. The name of all non-Federal interests planning to act as the study or project sponsor including any non-Federal interests that have contributed or are expected to contribute toward the non-Federal share of the proposed feasibility study or modification. The U.S. Army Corps of Engineers has the operation and maintenance responsibility for Cleveland Harbor. The proposed project modification will result in material dredged from Cleveland Harbor being placed in an upland confined disposal facility, which has been the recent practice, until such time as the material is approved for open water placement by the State of Ohio. Under the authority of Section 217 (d) of the Water Resources Development Act of 1996, as amended, the Cleveland-Cuyahoga Port Authority is prepared to enter into a user fee agreement with the Corps of Engineers for placement of dredged material in CDF 12, which has been improved and is managed by the Port Authority. The user fee cost would be shared by the Port Authority and the Corps of Engineers in accordance with Section 101 of the Water Resources Development Act of 1986, as amended. Other parties whose dredged material also would be placed in the CDF will participate through payment of the prescribed tipping fee. By submitting this proposal, the Cleveland-Cuyahoga County Port Authority does not acknowledge or admit in any way, and no inference shall be imputed to the Port, that any Corps of Engineers’ assertion of a “Federal Standard” that includes open lake placement of dredged material from Cleveland Harbor is valid or has any legal force or effect.

3. Whether the proposal is for a feasibility study or a modification to an authorized USACE water resources development project or feasibility study, and if a modification, the name of the authorized water resources development project or study. The proposal is for a modification of the authorized Cleveland Harbor project.
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. USACE missions and authorities are primarily focused on flood and storm damage reduction, commercial navigation, or aquatic ecosystem restoration. Following long-standing USACE practice, related proposals such as for recreation, hydropower, or water supply will be considered for inclusion if undertaken in conjunction with such a project or effort. The proposed project modification is for the purpose of commercial navigation. The modification will address an impasse between the Corps of Engineers and the State of Ohio concerning open lake placement of dredged material contaminated with PCB and assure that the Cleveland Harbor project continues to be maintained. The State of Ohio has determined that open lake placement of dredged material contaminated with PCB contributes to the bioaccumulation of this toxic material in important commercial and recreational species and also poses a threat to a public water supply. It will clarify that, limited to activity at Cleveland Harbor (and the associated project waters), that any application by the U.S. Army Corps of Engineers of any Federal Standard, as defined in 33 CFR part 335.7, shall not include open lake placement of dredged material unless and until a Section 401 water quality certification is approved by Ohio EPA.

5. An estimate, to the extent practicable 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 the construction or modification. The project modification providing that no Federal Standard for placement of dredged material from maintenance of Cleveland Harbor can include open lake placement, unless and until approved by the State of Ohio under Section 401 of the Clean Water Act, will not impact the total cost of maintenance dredging and placement at Cleveland Harbor. It will properly allocate the division of Federal and non-Federal costs. The Army Corps currently asserts that 80 percent of the dredged material from Cleveland Harbor (an estimated 180,000 cubic yards) would be placed in the open water of Lake Erie and 20 percent that the Corps does not deem suitable for open lake placement (approximately 45,000 cubic yards) would be placed upland in a confined disposal facility. But the Corps has confirmed that it will not place any dredged material in the open lake without a Section 401 water quality certification from the State of Ohio, which it has not received. Since the placement of Cleveland Harbor dredged material in the open
waters of Lake Erie has not been approved by the State of Ohio under the provisions of Section 401, all dredged material must be placed upland and the cost of dredging and disposal is the same as it would be if a Federal Standard does not include open water placement. However, the division of costs between the Corps and the non-Federal interests will be clarified since the current Corps' policy and demand is that where a State requires a placement that is more expensive than what the Corps asserts is a Federal Standard, non-Federal interests must assume all the additional costs. This impact is illustrated in the chart below using actual bid prices for FY 2015 dredging. In FY 2015 180,000 cubic has been or will be placed.

<table>
<thead>
<tr>
<th>Open Lake Placement</th>
<th>Placed in CDFs</th>
<th>Total Contract Cost</th>
<th>Federal Contract Cost</th>
<th>Non-Federal Contract Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under the Corps’ open lake placement preference</td>
<td>135,000 cubic yards</td>
<td>45,000 cubic yards placed upland in Corps-managed CDF 10B</td>
<td>$1,356,000</td>
<td>$1,356,000</td>
</tr>
<tr>
<td>Actual Placement in FY 2015 (Recognizing Under State of Ohio Section 401 Certification all material must be placed upland but under Corps’ assertion that all costs over open lake placement are non-Federal)</td>
<td>None</td>
<td>(1) 135,000 cubic yards placed upland in Corps-managed CDF 10B. (2) 45,000 cubic yards placed in Port of Cleveland managed CDF 12</td>
<td>$1,779,050</td>
<td>$1,356,000</td>
</tr>
</tbody>
</table>

**Additional Non-Federal Cost to Replace CDF 10B Capacity Used:**
- $1,032,300
- Total non-Federal cost: $1,445,350
6. A description to the extent practicable, the anticipated monetary and non-monetary benefits of the proposal including benefits to the protection of human life and property; improvements to transportation; the national economy; the environment; or the national security interests of the United States. The project modification would assure the continued Federal maintenance of the Cleveland Harbor with upland confined placement of all dredged material in accordance with the determination of the State of Ohio under Section 401 of the Clean Water Act. Upland placement of dredged material has been the practice since passage of the Clean Water Act in 1972. The continued maintenance of the Cleveland Harbor project is critical to the region and the Nation. Nearly 18,000 jobs and $1.8 billion of economic activity are tied to the approximately 15 million tons of cargo that move through the Port of Cleveland and the Cuyahoga River channel each year. Primary cargo is iron ore, limestone, steel, and heavy machinery and equipment. The Port of Cleveland provides the only regularly scheduled Great Lakes service to Europe for containerized and non-containerized cargo.

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7. A description of the local support for the proposal. The project modification is supported by the Cleveland-Cuyahoga County Port Authority. The Port Authority is the non-Federal sponsor of the Cleveland Harbor Project. The Port Authority and State of Ohio program of dredged material management and beneficial use enjoys wide support by the City of Cleveland, Cuyahoga County, local governments, Ohio elected officials, and the public.

8. Confirmation of the non-Federal interest’s financial ability to provide the required cost share. The Port Authority in cooperation with the State of Ohio is prepared to provide upland disposal capacity at CDF 12 to meet the dredged material placement needs at Cleveland Harbor under the terms of a user fee
agreement under Section 217 of the Water Resources Development Act of 1996. The Port Authority is prepared to provide the non-Federal share of the user fee in accordance with the cost sharing specified in Section 101 of the Water Resources Development Act of 1986, as amended. As confirmed in the Decision Document and Environmental Assessment for Short-Term Dredged Material Management of June 2014 the Corps of Engineers has determined that a Port provided placement capacity at CDF 12 was the least cost environmentally acceptable disposal alternative and the Port Authority was in active negotiations of a Section 217 user fee agreement when the Corps of Engineers concluded that open water placement was feasible. The proposed project modification would allow the negotiation of the Section 217 to be completed and an agreement executed.

9. **Letter or statement of support from each non-Federal interest.**