

Report to Congress for Future Water Resources Development (WRRDA 7001) Submission Package

Proposal Name: Tacoma Harbor Navigation Improvement Project

Submission Date: 07/21/2017

Proposal ID Number: bff5e03d-d5b3-4a2d-89d4-bb0bae73bd37

Purpose of Proposal: Within Commencement Bay, Tacoma, Washington. There are two existing authorized federal navigation channels: The Hylebos Waterway and the Blair Waterway. The Sitcum Waterway, which still supports international trade, was de-authorized as a federal channel in 2003. There are over 20 cargo and water dependent industrial docks within these waterways. The specific project purpose is to conduct a feasibility study to re-evaluate channel depths within Commencement Bay that support international maritime trade. The last re-authorization of a federal navigation channel in Commencement Bay occurred in 1999. At that time the largest container ships in service in the world had capacities of 6,000 twenty-foot equivalent units (TEUs). Today, container ship capacity has increased to vessels able to carry 20,000 TEUs. Obviously, the additional capacity of these ships mandates ever longer, wider and deeper draft vessels. The Port of Tacoma has recently serviced vessels with capacities of 10,000 TEUs. The Port of Seattle, our joint partner port within The Northwest Seaport Alliance (NWSA), is servicing 13,000 TEU-sized vessels. Containerized shipping has produced great transportation cost efficiencies for our nation's importers and exporters. Larger ships increase economies of scale that directly benefit cargo owners with lower shipping rates. However, if ports cannot provide facilities to allow for full utilization of larger vessels, then efficiencies will be lost. Navigation channels in Tacoma are rapidly becoming too shallow for modern vessels to achieve full capacity utilization. This particularly impacts our region's agricultural exporters whose cargoes are exceptionally dense and heavy. In summary, for the Port of Tacoma to retain and increase economic benefits to cargo owners, we request the U.S. Army Corps of Engineers to initiate a feasibility study of our federal channels to ascertain new and more appropriate channel depths within Commencement Bay.

1. Administrative Details

Proposal Name: Tacoma Harbor Navigation Improvement Project

by Agency: Port of Tacoma

Locations: WA

Date Submitted: 07/21/2017

Confirmation Number: bff5e03d-d5b3-4a2d-89d4-bb0bae73bd37

Supporting Documents

File Name	Date Uploaded
Statement of Support.pdf	07/21/2017
Tideflats-1.pdf	07/21/2017

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
Port of Tacoma(Primary)	See attached letter: Statement of Support.

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.

Within Commencement Bay, Tacoma, Washington. There are two existing authorized federal navigation channels: The Hylebos Waterway and the Blair Waterway. The Sitcum Waterway, which still supports international trade, was de-authorized as a federal channel in 2003. There are over 20 cargo and water dependent industrial docks within these waterways. The specific project purpose is to conduct a feasibility study to re-evaluate channel depths within Commencement Bay that support international maritime trade. The last re-authorization of a federal navigation channel in Commencement Bay occurred in 1999. At that time the largest container ships in service in the world had capacities of 6,000 twenty-foot equivalent units (TEUs). Today, container ship capacity has increased to vessels able to carry 20,000 TEUs. Obviously, the additional capacity of these ships mandates ever longer, wider and deeper draft vessels. The Port of Tacoma has recently serviced vessels with capacities of 10,000 TEUs. The Port of Seattle, our joint partner port within The Northwest Seaport Alliance (NWSA), is servicing 13,000 TEU-sized vessels. Containerized shipping has produced great transportation cost efficiencies for our nation's importers and exporters. Larger ships increase economies of scale that directly benefit cargo owners with lower shipping rates. However, if ports cannot provide facilities to allow for full utilization of larger vessels, then efficiencies will be lost. Navigation channels in Tacoma are rapidly becoming too shallow for modern vessels to achieve full capacity utilization. This particularly impacts our region's agricultural exporters whose cargoes are exceptionally dense and heavy.

In summary, for the Port of Tacoma to retain and increase economic benefits to cargo owners, we request the U.S. Army Corps of Engineers to initiate a feasibility study of our federal channels to ascertain new and more appropriate channel depths within Commencement Bay.

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	\$0	\$0	\$0

Explanation (if necessary)

Construction or modification costs are expected to be determined by the requested Feasibility Study.

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.

Given this project's direct connection to international containerized trade, we anticipate the monetary benefits contributed to the National Economic Development plan will be significant. We base this conclusion upon numerous other USACE federal channel deepening projects currently under construction or recently completed. Having reviewed feasibility studies related to these projects, our confidence in realizing exceptional economic returns appears sound. We anticipate the creation of deeper federal channels in Tacoma will reduce restrictions on vessel arrivals and departures due to tides and will reduce the need for vessels to "light load", i.e. leave export cargo behind. There would also be non-monetary benefits from an environmental perspective. Larger ship capacities result in lower emissions because fewer ships are required to carry the same amount of cargo. In addition, typically larger vessels tend to be newer vessels. These newer vessels are equipped with the latest in efficient engine technology, which has clearly demonstrated the ability to reduce carbon emissions per container transported. Newer ships are more likely to carry shore power equipment which can further lead to carbon reductions in port. Finally, there are the economic benefits that containerized shipping brings to our region and nation by creating U.S. transportation sector jobs. Today, approximately 13,450 direct jobs are associated with containerized shipping at NWSA facilities. Other economic benefits, such as taxes and revenues, exceed \$2.6 billion annually. Being mobile assets, ships have the luxury of calling other ports should Tacoma not be able to meet their needs. As is well known, Puget Sound ports have lost cargo market share to competitor ports in British Columbia, namely Vancouver and Prince Rupert. The NWSA is investing over \$500 million in infrastructure to retain and grow our market share. But to support these investments and remain competitive we need deeper federal channels.

7. Does local support exist? If 'Yes', describe the local support for the proposal.

Yes

Local Support Description

The Puget Sound Pilots have indicated this project is essential for maintaining safe transit of ever-larger vessels berthing at facilities within the Tacoma harbor. Trade and maritime stakeholders, agricultural exporters, labor and other businesses have expressed strong approval for deepening channels serving key NWSA facilities.

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

Yes

Primary Sponsor Letter of Support

(As uploaded)

Statement of Support.pdf



July 17, 2017

The Honorable Jo-Ellen Darcy
Assistant Secretary of the Army (Civil Works)
108 Army Pentagon
Room 3E446
Washington, DC 20310-0108

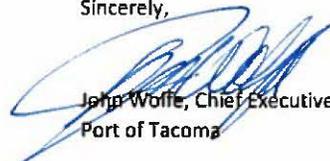
Dear Assistant Secretary Darcy:

The Port of Tacoma requests the U.S. Army Corps of Engineers include in the current Section 7001 Annual Report to Congress a new-start, feasibility study for the Tacoma Harbor. This request is further supported by The Northwest Seaport Alliance (NWSA), an operating partnership between the Port of Tacoma and the Port of Seattle which manages cargo terminal assets at both ports.

The Port of Tacoma is a Department of Defense strategic seaport, and in conjunction with the Port of Seattle through the NWSA, is the fourth largest regional gateway for containerized cargo in the United States. Independently, in 2016, the Port of Tacoma was the seventh largest container port in the United States. Tacoma is a critical port for agricultural exports produced throughout the Pacific Northwest, one of the nation's top exporting regions. This proximity of product to port is essential to maintaining the global competitiveness of our region's farmers. Tacoma is a vital gateway for US Commerce, with more than 50% of the port's import cargoes moving to major US population centers outside of the Pacific Northwest. The rapid increase in container ship size continues to produce economies of scale that directly benefit our nation's importers and exporters through low shipping rates. However, this benefit is at risk as larger vessels need deeper federal channels to fully utilize their capacity. In the last five years Tacoma has serviced vessels that have capacities greater than 10,000 TEUs. Our shipping line partners are asking us to prepare for 14,000 TEU ships and larger. If the Port is to maintain service that allows for full utilization of ships generally greater than 10,000 TEUs, we need deeper federal channels.

If the Port of Tacoma and NWSA cannot provide appropriate facilities for the ever increasing size of vessels, these ships and the economic benefits they bring to our region can easily divert to the Canadian gateway. It is a fact that we have already lost significant market share of our US Midwest-bound cargo to the Canadian ports of Prince Rupert and Vancouver. Prince Rupert offers a depth of -60' MLLW. Determined to maintain and grow our volume of waterborne commerce, the NWSA is committed to investing over \$500 million to achieve this goal. We consider this a necessary investment to protect and grow the over 13,000 direct jobs and \$2.6 billion annually of economic benefits that containerized shipping brings to our region. We can and will buy larger cranes and deepen our berths. But to successfully compete with Canada, deeper federal channels are also required.

Sincerely,


John Wolfe, Chief Executive Officer
Port of Tacoma


Richard Marzano, President
Port of Tacoma Commission


Tom Albro, President
Port of Seattle Commission

Map Document

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

Tideflats-1.pdf



Navigable Channels at the
Port of Tacoma

The image is an aerial photograph of the Port of Tacoma, showing a complex network of waterways and industrial areas. In the background, a large, snow-capped mountain (Mount Rainier) is visible under a clear sky. The foreground and middle ground are dominated by the port's infrastructure, including numerous piers, docks, and large industrial buildings. The waterways are dark blue, contrasting with the lighter colors of the land and buildings. The labels for the channels are placed directly on the image, pointing to their respective locations.

Hylebos
Waterway
Federal
Channel

Blair
Waterway
Federal
Channel

Sitcum
Waterway
De-Authorized 1999

Commencement
Bay