November 26, 2014

U.S. Army Corp of Engineers
Attn: CECW-CE (Lisa Kiefel)
441 G Street N.W.
Washington, DC 20314-1000

RE: Proposed Feasibility Studies for Inclusion in the U.S. Army Corps of Engineers Annual Report

Ms. Kiefel:

Pursuant to §7001 of the Water Resources Reform and Development Act of 2014, please find enclosed a proposal to conduct feasibility studies for the development of the Marshall and Emmonak Harbors in Southwest Alaska. These projects are being designed in an economically justifiable, environmentally acceptable, and technically sound manner important to the economy of rural Alaska. This proposal is for the Marshall and Emmonak feasibility studies to be included in the February 2015 USACE Annual Report as an infrastructure development project for the Calista region.

In each instance, we must emphasize that the proposal will serve an underutilized region of Alaska and the United States which desperately needs adequate port service. These areas are located in some of the poorest areas in the country. The Wade Hampton and Bethel census districts are regularly the two poorest census district in the State and often in the nation. This chronically underserved region is home to over 30,000 Yupik Eskimos, an indigenous population which has been in the area for over 15,000 years. Yet, this region has among the least developed port facilities in the Nation. The need for proper port construction is critical and epic in need.

The studies will seek to determine the navigation-related needs of the harbor, facilities, harbor users and the Lower Yukon region. The study will examine the region’s current and likely future role in the maritime commerce of Alaska and the nation, and identify likely levels of future navigation traffic and commerce through the port. The study will investigate a number of options for accommodating increased deep draft vessel traffic, including channel deepening, cargo diversion, and no action. The costs of implementing alternative options will be measured against estimated benefits to improving commercial transportation costs, to identify whether improvements are warranted consistent with Army policies.

The Marshall waterfront project will facilitate the development of a nearby rock quarry that will save up to $24 Million in costs for regionally planned airport and road infrastructure upgrades that otherwise require importation of material from Nome, Alaska—250 miles away. The Emmonak project will accommodate the boat manufacturing, and seafood processing industries and provide storage capacity for fuel and freight re-supply of rural communities upriver in the Yukon (3rd longest river in the Nation) from ocean-going vessels. Including the Marshall and Emmonak Harbor project feasibility studies in the Corp of Engineers Annual Report will facilitate future federal, state and private investment in the Calista region.
Specifically the answers to the question in the Federal Notice are below.

1. Port Sponsor—Calista Corporation as regional sponsor for both port facilities
   Co-sponsor the City of Emmonak for the Emmonak Port
   Co-Sponsor-- The City of Marshall for the Marshall Port

2. Feasibility Study—Emmonak Port—yes
   Marshall Port—yes
   There is no existing UASCE project in either area.


4. Proposal Cost—
   Emmonak--$13.0 Million Federal support/$3 million State support (already obtained).
   Marshall – $11.8 Million

5. Benefits—See attached description for each proposal

6. Strong Local Support—
   Marshall-- see attached letters of support from the Native Village of Marshall, and Maserculiq
   Inc, ANCSA Native Village Corp for Marshall, AK.
   Emmonak—see attached letter from the Yukon Delta Fisheries Development Association

7. Financial Support—Calista Corp and the supporting sponsors and organizations will seek
   whatever local match is necessary from a variety of sources including state and local bonding as
   well as contributions from private sector and other public sponsors.

Sincerely,

CALISTA CORPORATION

Andrew Guy
President/CEO

Enclosures

CC: Governor Elect Bill Walker
Martin Moore, City Manager, Emmonak
Nick Duny, Native Village of Marshall
Ragnar Alstrom, Executive Director YDFDA
Alaska Congressional Delegation
MARSHALL BARGE DOCK & QUARRY ACCESS
FY'15 CAPITAL REQUEST

Fact Sheet

Project:
Barge docking, staging area, and access road project near Yukon River community of Marshall. Purpose to enable rock aggregate be shipped out to area communities; and cargo, fuel, and propane/LNG be brought down to villages from Fairbanks to north.
- Total Project Cost = ~$11.8M; IRR funds ~$2M; final construction funds needed = $8.0 million.
- Bedrock barge site 3 mi. down-river Marshall, 2 acre staging area for fuel & material transfer shipment thru-out region, 4.8 mi 1 lane road w turnouts to rock site, village access road ~5 mi.
- Community Marshall has committed to maintain and operate the road and barge facilities.
- A separate access road segment utilizing Bureau Indian Affairs Indian Reservations Roads (IRR) grant funds will link Marshall Village to the barging, staging, and work site.

Need:
Rock aggregate is scarce in YK Delta making infrastructure projects costly for 56 area villages. Currently quality rock aggregate needed on upcoming public road, airport, port, energy, and village projects is ocean shipped from Nome 260 miles N adds 15-20% higher costs.
- Region construction is costly due to high rock transportation costs from Nome (add ~$40cy) and complications/costs of marine barge transfer, weather, and shallow access up river.
- Marshall or mid Yukon port is needed for propane/LNG material staging & transfer along the 3rd longest and navigable river in U.S. and North America.
- Project integrates with and part of region IRR transportation system network & YK road plan.
- Upcoming Federal Tribal village road (IRR) Projects: (8-10 miles) with rock needs up to ~$1.8M each, can benefit from in-region Marshall rock and lower transportation costs:
  - Kalskag
  - Pilot Station
  - Pitkas Point
- Upcoming State ADOT&PF Projects: (STIP est. over next 5 years) requiring quality aggregate:
  - 6 region airport resurfacings: 40,000cy/airport = ($5M savings x 6) = $3M savings
  - 2 airport runway extensions 1,000': 233,330cy x $48cy x 2 = $4.46M savings
  - 2 airport total relocations: 700,000cy x $48cy x 2 = $67.2M = >$13.5M savings

Estimated Cost Savings $20M to $24M:
Minimum estimated savings in near term (5 years) on $253.4M public works & transportation projects currently planned in the region.
- Long term estimates include several new roads connecting close villages since the region has none.
- Cross region connection corridor from Kalskag on Kuskokwim to Pamuit Slough on Yukon River is ~33 miles in planning & design currently at approx. $124M cost, and could realize savings range of $24.8M.
- Cost Savings including Long Term Projects would be substantially higher ranging from $47M to $58 M.

Project Background/Assumptions:
- ADOT&PF requested and was granted access to drill Pilcher Mt; mapping, coring, and testing indicated high quality material available across 2000 ft for construction over the next 20 years.
- Road width: 1 lane w/turnouts to 2 lanes, 24' width reasonable for region; 16' width reasonable village rds/sts. Reasonable standard material depth is 18 inch sub-base w 6 inch top course.
  - Rock $65/ton = $48/cy wo transport which adds minimum $40 per cy. Barges cost $20,000/day. Planning level material estimate for project volumes (above) range as follows:
    - Low of 375,000 cy, High of 700,000 cy
- Cost savings 15-20% expected on projects from in-region Pilcher Mt material access versus Nome product (not counting added weather, tide, river depth and construction delays).

Support:
- Masercultiq Corp.
- Calista Corporation
- Ohagimiut Tribe
- Association Village Council Presidents
- The City of Marshall

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MARSHALL QUARRY BULKHEAD DOCK

CONCEPTUAL PLAN

PROJECT NO: 121098
October 21, 2014

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

Andrew Guy
President/CEO
Calista Corporation
5015 Business Park Blvd., Ste. 3000
Anchorage, AK 99518

Re: Marshall, Alaska Port Project

Dear Staff:

Maserculiq, Incorporated strongly supports the feasibility study for the Marshall Port Project proposed by Calista Corporation. Development of a port facility in Marshall will provide economic benefits throughout the Yukon delta in western Alaska. Such a facility will serve to lower the cost of State and Federal capital improvement projects in the region by making competent rock available locally, rather than requiring import from Nome.

Sincerely,

Russell E. Weller, Jr.
Chief Executive Officer
October 17, 2014

Andrew Guy, President/CEO
Calista Corporation
5015 Business Park Blvd, Suite 3000
Anchorage, AK 99518

Re: Feasibility Study of Marshall Port Project

Dear Mr. Guy:

The Native Village of Marshall supports the Calista Corporation’s endeavors to develop the Marshall Port Project. Our community recognizes that the feasibility study process involves the U.S. Army Corp of Engineers for consideration as a non-federal interest.

Marshall is located within the Wade Hampton Census Area and the per capita income is the lowest in Alaska. Economic development is needed in our village and region. The Marshall Port Project/Gravel Quarry will provide employment opportunities for our people.

Sincerely,

Nicholai Duny, President

Cc: file