



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CECW-PE (10-1-7a)

08 JUN 1999

SUBJECT: Nome, Alaska

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements for Nome, Alaska. It is accompanied by the report of the district and division engineers. These reports are in partial response to a resolution by the Committee on Public Works of the House of Representatives dated 2 December 1970. The committee requested review of the reports of the Chief of Engineers on Rivers and Harbors in Alaska, published as House Document 414, 83rd Congress, and other pertinent reports, with a view to determine whether any modifications of the recommendations contained therein are advisable at the present time. Preconstruction engineering and design activities for this proposed project will be continued under the authority provided by the resolution cited above.
2. The reporting officers recommend construction of a new entrance to Nome Harbor. A new channel would be cut through the Nome spit, closer to the east side of the existing causeway, and extend out to a depth of -6.7 meters (-22 feet) mean lower low water (MLLW). An attached breakwater system would be constructed east of the new channel, extending out from Nome spit approximately 910 meters (2,986 feet). Channel depths would range from -3 meters (-9.8 feet) MLLW at the spit to -6.7 meters (-22 feet) MLLW at the entrance area between the proposed breakwater and the causeway. The causeway would be extended approximately 70 meters (230 feet) to provide added protection to the causeway docks and the channel entrance area, and a sediment bypass system would be constructed on either side of the breach in the causeway. The existing entrance channel would be filled with the dredged material from the new channel.
3. Project costs are allocated to the commercial navigation purpose. The estimated first cost of the general navigation features (GNF) of the recommended plan based on October 1998 price levels is \$21,010,000. The GNF costs include channel excavation, sediment trap, and breakwater construction. In accordance with Section 101 of the Water Resources Development Act (WRDA) of 1986, as amended by Section 201 of WRDA 1996, the Federal and non-Federal shares of GNF are estimated to be \$18,395,000 and \$2,615,000, respectively. In addition, the Federal Government would incur the costs of navigation aids

CECW-PE

SUBJECT: Nome, Alaska

currently estimated to be \$10,000. The non-Federal portion includes 10 percent of the cost for the general navigation facilities which are based on an overall project depth less than -20 feet MLLW; 25 percent of the cost for the general navigation facilities which are based on an overall project depth in excess of 20 feet but not excess -45 feet MLLW; and an additional cash payment of 10 percent of costs allocated to GNF, including interest, less credit for land, easements, rights-of-way, and relocations (LERR) over a period not to exceed 30 years. Based on the current estimate of LERR, no additional cash payment is anticipated. Creditable non-Federal LERR is estimated to be \$3,269,000. In addition to this amount, the local sponsor, the City of Nome, will be investing \$317,000 in local service facilities which include floats and dredging of the moorage basin and berthing area. Total costs for all features required to obtain the projected navigation benefits, including GNF, LERR, local service facilities, and aids-to-navigation are estimated to be \$24,606,000. Project benefits are primary from commercial fishing travel cost savings and reduction in vessel damages incurred negotiating harbor entrance. Average annual benefits and costs, based on October 1998 price levels and a discount rate of 6 7/8 percent, are estimated at \$3,608,000 and \$2,319,000, respectively, with a resulting benefit-cost ratio of 1.6 to 1. Net benefits are estimated at \$1,289,000 annually. The annual cost for operation and maintenance of the proposed plan is estimated to be \$452,000, including \$447,000 for U.S. Army Corps of Engineers maintenance of the breakwaters and for conducting periodic hydrographic survey; \$4,000 for the non-Federal sponsor to operate and maintain berth depths at the causeway, and \$1,000 for the U.S. Coast Guard to maintain the navigation aids. The proposed plan is the national economic development (NED) plan.

4. Washington level review indicates that the proposed plan is technically sound, economically justified, environmentally and socially acceptable. The plan conforms with essential elements of the U.S. Water Resources Council's Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies and complies with other Administration, U.S. Army Corps of Engineers, and legislative policies and guidelines. Also, the views of interested parties, including Federal, State, and local agencies, have been considered.

5. I concur in the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend implementation of the proposed project generally in accordance with the reporting officers' recommended plan, with such modifications as in the discretion of the Chief of Engineers may be advisable, and subject to applicable cost-sharing and financing requirements. My recommendation is made with the provision that, prior to implementation of the recommended improvements, the non-Federal sponsor shall enter into a binding agreement with the Federal Government to comply with the following requirements:

CECW-PE

SUBJECT: Nome, Alaska

a. Enter into an agreement which provides, prior to construction, 25 percent of design costs;

b. Provide, during construction, any additional funds needed to cover the non-Federal share of design costs;

c. Provide, during the period of construction, a cash contribution equal to the following percentages of the total cost of construction of the general navigation features which include the construction or improvement of land-based and aquatic dredged material disposal facilities that are necessary for the disposal of dredged material required for project construction, operation, or maintenance and for which a contract for the facility's construction or improvement was not awarded on or before October 12, 1996: 10 percent of the costs attributable to dredging to a depth not in excess of 20 feet; 25 percent of the costs attributable to dredging to a depth in excess of 20 feet but not in excess of 45 feet;

d. Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the project, up to an additional 10 percent of the total cost of construction of general navigation features. The value of lands, easements, rights-of-way, and relocations provided by the non-Federal sponsor for the general navigation features, described below, may be credited toward this required payment. If the amount of credit exceeds 10 percent of the total cost of construction of the general navigation features, the non-Federal sponsor shall not be required to make any contribution under this paragraph, nor shall it be entitled to any refund for the value of lands, easements, rights-of-way, and relocations in excess of 10 percent of the total cost of construction of the general navigation features;

e. Provide all lands, easements, and rights-of-way, and perform or ensure the performance of all relocations determined by the Federal Government to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features (including all lands, easements, and rights-of-way, and relocations necessary for dredged material disposal facilities);

f. Provide, operate, maintain, repair, replace, and rehabilitate, at its own expense, the local service facilities in a manner compatible with the project authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

g. Accomplish all removals determined necessary by the Federal Government other than those removals specifically assigned to the Federal Government;

CECW-PE

SUBJECT: Nome, Alaska

h. Grant the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the non-Federal sponsor owns or controls for access to the general navigation features for the purpose of inspection, and, if necessary, for the purpose of operating, maintaining, repairing, replacing, and rehabilitating the general navigation features;

i. Hold and save the United States free from all damages arising from the construction, operation, maintenance, repair, replacement, and rehabilitation of the project, any betterments, and the local service facilities, except for damages due to the fault or negligence of the United States or its contractors;

j. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project, for a minimum of 3 years after completion of the accounting for which such books, records, documents, and other evidence are required, to the extent and in such detail as will properly reflect total cost of construction of the general navigation features, and in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and local governments at 32 CFR, Section 33.20;

k. Perform, or cause to be performed, any investigations as are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, that may exist in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, or rehabilitation of the general navigation features. However, for lands that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the Federal Government provides the non-Federal sponsor with prior specific written direction, in which case the non-Federal sponsor shall perform such investigations in accordance with such written direction;

l. Assume complete financial responsibility, as between the Federal Government and the non-Federal sponsor, for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features;

m. To the maximum extent practicable, perform its obligations in a manner that will not cause liability to arise under CERCLA;

CECW-PE

SUBJECT: Nome, Alaska

n. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the Uniform Regulations contained in 49 CFR, Part 24, in acquiring lands, easements, and rights-of-way required for construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act;

o. Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army";

p. Provide a cash contribution equal to the non-Federal cost share of the project total historic preservation mitigation and data recovery costs attributable to commercial navigation that are in excess of 1 percent of the total amount authorized to be appropriated for commercial navigation; and

q. Do not use Federal funds to meet the non-Federal sponsor's share of total project costs unless the Federal granting agency verifies in writing that the expenditure of such funds is authorized.

6. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program nor the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to the Congress, the State; the non-Federal sponsor, the city of Nome; interested Federal agencies; and other parties will be advised of any modifications and will be afforded an opportunity to comment further.



JOE N. BALLARD

Lieutenant General, U.S. Army
Chief of Engineers