



DEPARTMENT OF THE ARMY
CHIEF OF ENGINEERS
2600 ARMY PENTAGON
WASHINGTON, DC 20310-2600

DAEN

OCT 14 2021

SUBJECT: Port of Long Beach Deep Draft Navigation, Los Angeles County, California

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements for the Port of Long Beach, Los Angeles County, California. It is accompanied by the report of the Los Angeles District Commander. This report serves as an interim response to the Resolution of the House Committee on Public works adopted on 10 July 1968, which reads as follows: "That the Board of Engineers for Rivers and Harbors is hereby requested to review the reports on the Los Angeles and Long Beach Harbors, California, heretofore submitted to the Congress with a view to promoting and encouraging the efficient, economic, and logical development of the harbor complex. The scope will encompass investigation of current shipping problems, adequacy of facilities, delays in intermodal transfers, channel dimensions, storage locations, and capacities, and other physical aspects affecting waterborne commerce in the San Pedro Bay region, including the conduct of model studies as necessary to establish an efficient layout of the port complex and the design of navigation facilities." Preconstruction, engineering, and design activities, if funded, will continue under the authority cited above.

2. The reporting officers recommend a plan that will contribute to the economic efficiency of commercial navigation. The recommended plan was developed in coordination and consultation with various federal, state, and local agencies using a systematic and regional approach to formulating solutions and evaluating the benefits and impacts that would result. The recommended plan is the National Economic Development Plan and consists of the following navigation improvements. All depths are in Mean Lower Low Water (MLLW).

- a. Deepening the Approach Channel from -76 feet to -80 feet;
- b. Bend easing within portions of the Main Channel to -76 feet;
- c. Constructing an Approach Channel to Pier J South to -55 feet;
- d. Constructing a turning basin outside of Pier J South to -55 feet;
- e. Deepening the West Basin from -50 feet to -55 feet;
- f. Non-federal improvements would be added to the federal project. These include:
 - (1) Deepening Pier J Basin, berths J266-J270, within the Pier J South Slip, to -55 feet;
 - (2) Structural improvements to the Pier J breakwaters to accommodate dredging of the Pier J Basin and Approach Channel;

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g. Dredged material from the project will be placed at a nearshore placement site and two U.S. Environmental Protection Agency-designated ocean dredged material disposal sites; and

h. To support dredging by an electric clamshell dredge at the Pier J Basin, the Approach Channel, and Turning Basin, a new dredge electric substation is required to be constructed to mitigate for air quality impacts.

3. The Port of Long Beach (POLB) is the non-federal cost-sharing sponsor for all features.

4. Project costs for the recommended plan are allocated to the commercial navigation purpose and based on October 2021 price levels.

a. Project First Cost. The estimated project first cost of the recommended plan is \$145,433,000. This project first cost includes the cost of construction of \$120,845,000; lands, easements, rights-of-way, and relocations (LERRs) costs of \$1,462,000; planning, engineering, and design costs of \$15,985,000; and construction management costs of \$7,141,000.

b. Estimated Federal and Non-Federal Share. The total estimated federal and non-federal shares of the project cost are \$71,985,500 and \$73,447,500, respectively in accordance with the provisions of Sections 101(a) and 103(c)(7) of the Water Resources Development Act (WRDA) of 1986, as amended (33 U.S.C. 2211(a) and 2213(c)(7)).

c. Additional 10 Percent Payment. In addition to the non-federal sponsor's estimated share of the project first cost determined in paragraph 4.b above, the non-federal sponsor must pay an additional 10 percent of the cost of the general navigation features (GNF) of the project in cash over a period not to exceed 30 years, with interest. The additional 10 percent payment is estimated to be \$12,935,100, in accordance with Section 101(a)(2) of WRDA 1986, as amended (33 U.S.C. 2211(a)(2)). The value of LERRs will be credited toward this amount in accordance with Section 101(a)(3) of WRDA 1986, as amended (33 U.S.C. 2211(a)(3)).

d. Associated Costs. Total associated costs for the project are estimated at \$25,782,000. The associated costs include approximately \$25,139,000 for deepening the Pier J Basin, dredging berth areas adjacent to Pier J, and structural improvements to the Pier J breakwaters, which will be the responsibility of the non-federal sponsor. The associated costs also include approximately \$643,000 for new aids to navigation (a U.S. Coast Guard expense).

e. Authorized Project Cost and Section 902 Calculation. The project first cost for the purpose of calculating the maximum cost of the project pursuant to Section 902 of

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WRDA 1986, as amended (33 U.S.C. 2280), includes the total cost of construction of the GNFs and the value of LERRs. Accordingly, as set forth in paragraph 4.a above, based on October 2021 prices, the total estimated project first cost for these purposes is \$145,433,000. Based on October 2021 price levels, a discount rate of 2.25 percent, and a 50-year economic analysis, the project average annual benefits and costs are estimated at \$21,379,000 and \$6,116,000, respectively, with resulting net average annual benefits of \$15,263,000 and a benefit-to-cost ratio of 3.5.

f. Operation and Maintenance Costs. The additional annual navigation operation and maintenance for this recommended plan is estimated to be \$118,000 in accordance with Section 101(b)(1) of WRDA 1986, as amended (33 U.S.C. 2211(b)(1)). Responsibility for the annual operation and maintenance costs is split 50 percent federal and 50 percent non-federal.

5. In accordance with USACE policy on the review of decision documents, all technical, engineering, and scientific work underwent an open, dynamic, and rigorous review process. The comprehensive review process included district quality control, agency technical review, and a headquarters policy and legal compliance review to confirm the planning analyses, alternative design and safety, and the quality of decisions. All comments from the above referenced reviews have been addressed and incorporated into the final documents.

6. Washington level review indicates that the project recommended by the reporting officers is technically sound, environmentally and socially acceptable, cost effective, and economically justified. The plan complies with all essential elements of the U.S. Water Resources Council's Economic and Environmental Principles and Guidelines for Water and Land Related Resources Implementation Studies and complies with other administrative and legislative policies and guidelines. The views of interested parties, including federal, state, and local agencies have also been fully considered. All practicable means to avoid or minimize adverse environmental effects were analyzed and incorporated into the recommended plan. Environmental commitments will be implemented for air quality, water and sediment quality, biological resources, cultural resources, and noise.

7. I concur with the findings, conclusions, and recommendations of the reporting officers. Accordingly, I recommend that the navigation improvements for the Port of Long Beach, Los Angeles County, California, be authorized in accordance with the reporting officers' recommended plan, with such modifications thereof as in the discretion of the Chief of Engineers may be advisable. My recommendation is subject to cost sharing, financing, and other applicable requirements of federal laws and policies, including Sections 101 and 103 of WRDA 1986, as amended (33 U.S.C. 2211 and 2213), and to the non-federal sponsor agreeing, prior to project implementation, to perform the required items of local cooperation, including but not limited to the following:

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a. Provide 50 percent of construction costs of the GNFs attributable to dredging to a depth in excess of -50 MLLW as further specified below:

(1) Provide 50 percent of design costs in accordance with the terms of a design agreement entered into prior to commencement of design work for the project;

(2) Provide, during construction, any additional contribution necessary to make its total contribution equal to 50 percent of construction costs of the GNFs attributable to dredging to a depth in excess of -50 MLLW;

b. Provide all lands, easements, rights-of-way (LER), including those necessary for the borrowing of material and the disposal of dredged or excavated material, and perform or assure the performance of all relocations, including utility relocations, all as determined by the Federal Government to be necessary for the construction or operation and maintenance of the GNFs;

c. Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the GNFs, an additional amount equal to 10 percent of the total cost of construction of GNFs less the amount of credit afforded by the Federal Government for the value of the LER, and relocations, including utility relocations, provided by the non-federal sponsor for the GNFs. If the amount of credit afforded by the Federal Government for the value of LER, and relocations, including utility relocations, provided by the non-federal sponsor equals or exceeds 10 percent of the total cost of construction of the GNFs, 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 LER and relocations, including utility relocations, in excess of 10 percent of the total cost of construction of the GNFs;

d. Provide, operate, and maintain, at no cost to the Federal Government, the local service facilities in a manner compatible with the project's authorized purposes and in accordance with applicable federal and state laws and regulations and any specific directions prescribed by the Federal Government;

e. Provide 50 percent of the excess cost of operation and maintenance of the project over that cost which the Federal Government determines would be incurred for operation and maintenance if the project had a depth of -50 feet MLLW;

f. Give 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 project for the purpose of completing, inspecting, operating and maintaining the GNFs;

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g. Hold and save the United States free from all damages arising from the construction or operation and maintenance 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;

h. Perform, or ensure performance of, any investigations for hazardous, toxic, and radioactive wastes (HTRW) that are determined necessary to identify the existence and extent of any HTRW regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, and any other applicable law, that may exist in, on, or under real property interests that the Federal Government determines to be necessary for construction, operation, and maintenance of the project;

i. Agree, as between the Federal Government and the non-federal sponsor, to be solely responsible for the performance and costs of cleanup and response of any HTRW regulated under applicable law that are located in, on, or under real property interests required for construction, operation, and maintenance of the project, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination, without reimbursement or credit by the Federal Government;

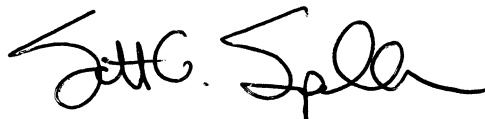
j. Agree, as between the Federal Government and the non-federal sponsor, that the non-federal sponsor shall be considered the owner and operator of the project for the purpose of CERCLA liability or other applicable law, and to the maximum extent practicable shall carry out its responsibilities in a manner that will not cause HTRW liability to arise under applicable law; and

k. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655) and the Uniform Regulations contained in 49 CFR 24, in acquiring lands, easement, and rights-of-way, necessary for construction, operation and maintenance of the project including those necessary for relocations, the borrowing of material, or the disposal of dredged or excavated material; and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

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8. The recommendation contained herein reflects the information available at this time and current departmental policies governing the formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the Executive Branch. Consequently, the recommendation may be modified before it is transmitted to Congress as a proposal for authorization and implementation funding. However, prior to transmittal to Congress, the state of California, and the Port of Long Beach, interested federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

A handwritten signature in black ink, appearing to read "Scott A. Spellmon". The signature is fluid and cursive, with a large initial "S" and "A".

SCOTT A. SPELLMON
Lieutenant General, USA
Chief of Engineers