

Port of **Houston** Authority

Dredge Material Placement Issues

Texas Coast

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Texas Coast

- Major deep draft ports
 - Houston, Galveston
 - Beaumont, Port Arthur
 - Corpus Christi
 - Texas City
 - Freeport
 - Brownsville
- 22 shallow draft ports
- GIWW
- Texas Ports Association

Texas Situation

- Significant dredging needs
 - NSF responsibilities differ among ports
 - Ownership of submerged lands and placement areas varies by port
 - Major industrial development along the coast (energy)
 - 95% of dredge material disposal capacity in the Houston system resides in federal PAs
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Dredging and Disposal Issues List

- Use of placement areas
 - Administration of 401(c) process
 - Section 217 agreements
 - Disposal costs (Corps tipping fees)
 - Beneficial use of material at PA's
 - Material testing
 - Approval authorities
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Use of Placement Areas

- Process changes have significantly impacted commerce
 - 401(c) process evolved to enable non-federal use of a placement area—but the process takes 6-7 months or more, considering current backlog

Example

- NFS dock is scheduled to be dredged in six months under a Corps contract (contributed funds agreement for dredging)
 - Dock was just draft restricted by 4 feet—first ship impacted light loaded by 7,000 tons
 - NFS/tenant proposed dredging 2300 CY now
 - District determination: 401(c) approval will be required, estimated time to complete is six months
 - Estimated impact to tenant for that period: \$3 million
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Use of Placement Areas (continued)

- Process changes have significantly impacted commerce
 - 401(c) process evolved to enable non-federal use of a placement area—but the process takes 6-7 months or more, considering current backlog
 - Section 217 agreements are a preferred alternative
 - 217a (buying capacity during dike raise) model agreement has been prepared
 - 217b would be more flexible, but this process is lagging

Use of Placement Areas (continued)

- Process changes have significantly impacted commerce
 - 401(c) process evolved to enable non-federal use of a placement area—but the process takes 7-12 months
 - Section 217 agreements are a preferred alternative
 - 217a (buying capacity during levee raise) model agreement has been prepared
 - 217b would be more flexible, but this process is lagging
- Recommendations:
 - Streamline the 401(c) process, and delegate approval authority
 - Expedite 217 agreement development
 - Establish aggressive performance metrics (customer service)

Disposal Fees

- Higher HQ review of requests for use of PAs resulted in HQ-level assessment of district-developed rates, which became overly complicated
 - Real Estate costs were dropped from the calculated fee
 - NFS's believe that current rates are excessive
- Recommendations:
 - Develop rates based on Section 217a—where the basis of rates for PA capacity is clearly described
 - Use a blended rate for fairness
 - Maximize use of 217 agreements to benefit the Corps' O&M capability (tipping fees are retained)

Beneficial Use of Dredge Material

- Terminal expansions and berth deepening projects are permitted throughout the channel system—potentially generating over 5 million CY of new work material (clay)
- Corps previously determined that PA's do not have the capacity for anything but O&M material; additionally, the Corps can't accept "free" material
- Recommendations:
 - Form a TF to develop options for use of this material to create capacity at little or no cost to the Government
 - Complete guidance related to WRRDA Section 1024

Material Testing

- The District has developed a testing protocol applicable to all dredge material going to an upland federal placement area
 - This has resulted in consistent standards in a reasonable program
 - Protocol is consistent with State standards, and will serve to eliminate duplication of reports and unnecessary administration
- Good news story

Approval Authorities

- Delegation of approval authority to a lower level appears appropriate for certain activities:
 - 401(c) requests (from HQ to the District level)
 - 217 agreements (from the ASA (CW) to USACE), including authority for programmatic agreements
 - Contributed Funds for Dredging MOA
 - Section 1024 activities
- Recommendation:
 - District and higher headquarters make a concerted effort to streamline documentation, reduced administration (including successive reviews), and establish standards of performance that result in faster processing and improved customer service