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
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
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
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